



MISSOULA COUNTY
comprehensive
economic
development
strategy

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introduction

Missoula Economic Partnership (MEP) is a 501c(6) nonprofit corporation established in partnership between our regional business community, the City of Missoula, and Missoula County. MEP's role is to understand the factors that shape our economy, identify ways the public and private sector can collaboratively influence economic factors to create the greatest benefit to this and future generations of community members, and be the entity through which that collaboration can occur. This Comprehensive Economic Development Strategy (CEDS) provides a process and plan to facilitate this role.

Missoula's regional economy has evolved and changed with population growth and available resources. The Salish were the

first people in this region, and according to oral history, they divided into smaller bands once their population grew beyond the level that the area could support. As these bands dispersed, the region became an important regional hub for the traditional gathering and exchange of food and resources of the Salish (Séliš), Kootenai (Ktunaxa), Kalispel (Q̓lispé), and other Indigenous people.¹

Missoula remains an important regional economic hub and the economy remains dynamic. Like most places in the country, Missoula experienced two major shocks to its economy over the last 15 years: the Great Recession and the COVID-19 global pandemic.

In 2021, the MEP Board of Directors asked staff to establish this CEDS to achieve the following goals:

1

STUDY TRENDS

Understand the longer-term economic trends that emerged as Missoula recovered from the global economic recession of 2007-2009, commonly known as the Great Recession.

2

IDENTIFY SHOCKS

Identify the acute economic impacts that emerged during, or were exacerbated by, COVID-19.

3

DETERMINE ACTIONS

Establish a formal, action-oriented, data-driven process through which we can positively influence dynamic economic forces impacting our community now and in the future.

To begin this work, MEP established the CEDS Steering Committee, a group of twenty-four community members with broad views and experiences with Missoula's regional economy. The CEDS Steering Committee assisted the MEP staff and consulting team in shaping the process through which we would assess our current economy and solicit feedback from the public and private sector about goals and direction moving forward.

Community input from a diverse group of stakeholders was critical to developing this strategy. Input occurred through Steering Committee meetings and Technical Advisory Working Group meetings. In total, twelve input meetings took place consisting of six Steering Committee meetings and six Technical Advisory Working Group meetings.

Technical Advisory Working Groups were formed to provide additional perspectives on Talent Development, Growing Local Businesses, Starting and Attracting New Businesses, Housing, Infrastructure and Commercial Development and Quality of Life. Technical Advisory Working Groups included key members of the public and private sectors, including business owners and executives from large and small employers, civic and education leaders from the University of Montana and Missoula College, and leaders and workers representing diverse industries and geographies within Missoula County. More than 160 people participated in Technical Advisory Working Groups throughout the CEDS process.

The Steering Committee established a guiding vision toward which the CEDS should be working.

OUR VISION

Missoula's regional economy is equitable, inclusive, and resilient – offering every resident a path to prosperity for a lifetime.

The CEDS steering committee organized our engagement and reporting process around three key themes:



PEOPLE

How people impact our economy and how the economy impacts their lives



PLACE

How natural and built environments impact our economy and how our economy impacts natural and built environments



BUSINESS

How business and business-climate impact our economy and how our economy impacts business and business-climate

guiding principles

In addition to validating the CEDS structure and process, the CEDS Steering Committee established a set of guiding principles for the CEDS planning process and established a framework for decision making when determining goals, strategies, and metrics.

thriving

Our economy should create ample and accessible opportunities for people to be successful.

small business-friendly

Our community should be a place that is friendly toward small businesses, startups, and entrepreneurs.

innovation-friendly

Our community should support and foster new ways of doing business, approaching challenges, and growing our economy.

inclusive

Economic security and a pathway to prosperity should be available and attainable to every member of the community.

diverse

Our economy should reflect the diversity in our community and should foster diversity in people and businesses across the range of human differences, including but not limited to race, ethnicity, gender, gender identity, sexual orientation, age, social class, physical ability or attributes, religious or ethical values system, national origin, and political beliefs.

equitable

Our economy should be fair and just.

safe

Our economy will be stronger when our community is safe for any individual or group of people.

affordable

Our economic gains should not displace current residents or deter new workers interested in moving here. Our community should be affordable to everyone at the wages of the jobs available in our region.

sustainable

Our community should strive to be sustainable, including our use of energy and natural resources, and we should encourage entrepreneurship and business attraction among businesses that can help achieve this goal.

resilient

Our economy should be sufficiently diverse and robust to handle shocks and address chronic challenges.

accessible

Our efforts to support businesses and enhance place should be mindful of and accommodating to people living with disabilities.

intentional

We should create the economic conditions we most desire by developing, monitoring, and refining plans regularly in collaborative processes and with broad and diverse participation.

informed by history

To successfully plan our future, we must understand and account for the past.

The role of economic development, and the intention of the Missoula County CEDS, is to coordinate community-wide action to address barriers impeding the growth of individuals and businesses. This involves addressing barriers that prevent workers from gaining the knowledge and skills to fill good-paying jobs and reach economic self-sufficiency. It requires

overcoming barriers that inhibit business creation and expansion, which spur employment growth. Further, it requires strategies to address barriers that prevent people from accessing housing and infrastructure. We examine these barriers in the PEOPLE, BUSINESS, and PLACE sections of this document.





missoula regional economy

Missoula's regional economy has always been dominated, if not defined, by place. The region's economic hub, the City of Missoula, is located at the confluence of the Blackfoot, Clark Fork, and Bitterroot Rivers, and surrounded by mountains, forests, and agricultural lands. The area's natural qualities and natural resources provided physical, economic, spiritual, and emotional enrichment for indigenous people and early western settlers. These qualities continue to provide the same benefits for many residents and visitors today.

From early western settlement until about fifty years ago, Missoula's economy was dominated by natural resource (mostly timber) extraction, manufacturing, and associated government



agencies and services. In recent decades, the economy transitioned to greater reliance on the University of Montana, regional healthcare and biosciences, professional and business services, tourism and related service industries, and construction and trade work to support all of these. Today, professional services create a greater percentage of regional jobs than did government and manufacturing combined just fifty years ago. Over this time, Missoula's inflation-adjusted wages grew faster than the US average.

The 2008-09 housing market collapse, and subsequent Great Recession, created a major shock to the Missoula economy that accelerated this trend. In 2007, wood products that supplied the housing market dominated regional manufacturing and Missoula was in its own housing boom that employed many people through construction and related trades and services. As the housing market collapsed, several large mills shut down suddenly, construction and related trades slowed quickly, and many retail and service businesses closed permanently. Unemployment, commercial real estate vacancies, and mortgage foreclosures were high during the recession and the years that followed. Most of the response focused on job creation, entrepreneurship, business growth, and attracting businesses that could relocate here.

Compared to Montana or the nation, Missoula's regional economy recovered well from the Great Recession. Missoula's total earning growth was particularly fast between 2014-2019. Labor force participation was high (70 percent) and inflation-adjusted earnings grew by 20 percent in Missoula, as compared to 11 percent growth for Montana and 15 percent growth for the United States. Missoula County's growth over this period ranked

in the top 12 percent of all counties nationwide. Industries that led this growth included professional, scientific, and technical services (including hi-tech); construction; finance and insurance; and manufacturing. By January 2020, Missoula County shed the Montana Department of Commerce’s “high poverty county” designation for the first time. However, Missoula County’s housing prices climbed steadily as the economy recovered.

Several factors played key roles in Missoula’s economic growth prior to the COVID-19 pandemic, allowing the region to realize many of its stated economic goals. Among these factors, the region’s businesses tended to be resilient and adapt to changing environments. Wages and population grew steadily. As a college town with a relatively high quality of life, Missoula attracted geographically flexible businesses and workers, and improvements in air service and broadband technology improved access to markets. While this period of growth allowed for relief from many of the challenges posed by the Great Recession, the same growth introduced a new set of economic challenges, many of which were exacerbated by the economic shock induced by the COVID-19 global pandemic.

The challenges that emerged during Missoula’s phase of rapid growth will be discussed in detail later in this document. However, chief among those were the decline in availability of qualified workers to fill jobs, the increasing cost and decreasing availability of housing, a lack of suitable commercial facilities to accommodate growing companies, and the pace of infrastructure expansion and improvement—ranging from roads and broadband to neighborhood parks and sidewalks—relative to increased population and demand. There was also a growing concern that



this phase of rapid growth had not benefited those who were least prosperous prior to the Great Recession, creating a growing gap in the economic well-being of community members.

The COVID-19 pandemic initially shocked the Missoula economy in acute ways observed across the country and world, including some from which the regional economy has already recovered. Nearly every major industry in Missoula County shed jobs or lost revenue in early 2020, with job losses particularly severe in food, retail, tourism, and arts and entertainment. Many businesses were able to ultimately recover some or all of their losses through federal relief programs, such as the Paycheck Protection Program which awarded nearly 5,000 grants in Missoula County.

The pandemic and associated economic shutdown created a crisis for all workers, but the impact was greater for women, non-white

The pandemic has made clear that addressing the problem of ECONOMIC INEQUALITY and CHARTING A NEW PATH TOWARD MORE INCLUSIVE GROWTH is a critical priority as Missoula County continues to recover.

workers, lower-wage earners, and those with less education. Missoula now faces the possibility of an economic recovery that leaves Missoulians who were most affected by the pandemic-related recession at a continued disadvantage. The pandemic has made clear that addressing the problem of economic inequality and charting a new path toward more inclusive growth is a critical priority as Missoula County continues to recover.

Today, businesses of all sizes and across all industries indicate that they are currently experiencing high demand for their products and services and have strong potential for continued growth. However, several pandemic-related trends and impacts exacerbated the challenges described earlier and present longer term potential threats. Prominent among these are a shortage of labor and the increased cost of housing. With the large increase in remote working, Missoula became an even more desirable place to retire or relocate and bring a job. This increased the competition for limited housing, and many of the new residents, including retirees and remote workers, were not available or motivated to take jobs in the community.

The remainder of this document explores Missoula's regional economic strengths, weaknesses, challenges, and opportunities before assessing how our actions and decisions can best ensure the economic well-being of people, businesses, and place.

regional strengths and advantages

Three main factors contribute to the advancement of Missoula County's economy: quality of life, supply of highly educated talent, and a strong culture of entrepreneurship.

Missoula offers an appealing quality of life. As a result, roughly 1,000 more people move to Missoula each year than move away. Missoula's net migration rate typically ranks in the top 20 percent of all counties nationwide.²

Missoula's attractiveness allows it to benefit from a "people first, jobs follow" growth model. Adding people boosts demand for local goods and services and creates a deeper talent pool. Missoula's deeper pool of workers (both those already in Missoula and those willing to move here) makes it easier for firms to succeed in Missoula. This allows local firms to grow and attracts new firms from elsewhere.

The University of Montana and Missoula College offer Missoula several key advantages. Universities help support local growth by fostering innovation and by attracting and creating talent. Missoula is one of the most educated communities in the country. Forty-four percent of the population over age 24 has at least a bachelor's degree.³ This ranks 27th among all metro and micro areas nationally. College towns and communities with more educated populations have tended to grow more rapidly in recent decades.

Missoula County, and Montana as a whole, have high rates of entrepreneurship. Montana has more entrepreneurs per capita than any other state; it continues to create more entrepreneurs

Three main factors contribute to the advancement of Missoula County's economy:

1. QUALITY OF LIFE

**2. SUPPLY OF HIGHLY
EDUCATED TALENT**

**3. A STRONG CULTURE OF
ENTREPRENEURSHIP**

than most states, and Montana's business survival rate (the share of new businesses who survive their first five years) ranks in the top 10. In the urban core, Missoula offers access to networks and support from mentors, government, and business resources, which can be critical to the success of new firms.⁴ Missoula has also been successful in attracting entrepreneurs and new businesses. Areas with more and better entrepreneurs tend to be more successful to adapt to changes in the regional and national economy.⁵

regional challenges and opportunities

Factors that challenge Missoula County's present and future economic growth include cost of living, low wages, and regional isolation.

Missoula's desirable quality of life also contributes to one of Missoula's key weaknesses: rising cost of living. In desirable places, demand can show up as rising population, rising housing prices, or

Three main factors that challenge Missoula County's present and future economic growth:

1.COST OF LIVING

2.LOW WAGES

3.REGIONAL ISOLATION

both. In Missoula, it is both. Over the past 30 years, housing price growth in Missoula ranked 4th among all metro areas.⁶ While the relative pace of Missoula's housing price growth fluctuates over time, Missoula's housing price growth was particularly fast during COVID-19. According to one measure, home prices in Missoula increased by 36 percent between Feb 2020 and July 2021, 10th fastest among all metro areas.⁷ Home prices in Missoula rank 58th among 911 metro and micro areas, roughly on par with cities like Miami, Austin, and Boise.

High demand for place does not necessarily lead to high housing prices. High prices occur where strong demand is not met with expanding supply. Missoula's rapid housing price growth reflects a variety of supply factors. Some of these reflect local choices (e.g., land use policy and the efficiency of the development/construction industries). However, some are fixed (e.g., Missoula sits in a relatively small valley with a limited amount of developable land). As such, Missoula is likely to continue to face challenges associated with relatively high housing costs. In particular, a high cost of living makes it more difficult to recruit talent from elsewhere, and it forces some people to leave. If Missoula is unable to attract or retain certain types of workers, some firms or industries may become unviable.

Wages in Missoula are low. Median earnings in Missoula are only 80 percent of the US median, and median earnings for Missoulians with bachelor's degrees are only 67 percent of the US median.⁸ Again, in part, this reflects Missoula's desirability. People are willing to accept lower wages to enjoy the quality of life available in Missoula. However, Missoula's low wages also reflect the fact that Missoula is small and isolated.

Size matters in regional economics. Productivity and wages tend to be lower in smaller cities, particularly for more educated workers. Missoula County has only 118,000 people, spread across an area twice the size of Rhode Island. Thus, Missoula's low output per worker and wages are not surprising. In fact, Missoula's output and wages are basically average for communities its size. Distance to markets also matters. Missoula is isolated. The nearest large metro areas are several hundred miles away. As a result, Missoula has less access to markets and enjoys fewer productivity spillovers associated with proximity to major markets. Thus, to boost productivity and wages, Missoula must overcome the challenges of size and distance.

resilience and equity

The Missoula Economic Partnership was established in 2010 for the purpose of shaping a more resilient regional economy in response to the economic shock of the Great Recession, which hit the region hardest in 2008. While much progress was made in the decade that followed the Great Recession, part of the purpose of establishing this Comprehensive Economic Development Strategy (CEDS) is to further improve our overall economic resilience and ability to withstand and adapt to any future economic disruption.

At the time of preparing this document, the current public health challenge of COVID-19 continues to present a significant disruption to our regional economy. Additional foreseeable factors that could lead to disruption include impacts of climate change and inequities in our economic system and subsequent erosion of people's belief in core institutions. This section discusses these potential disruptions and the tools we have or can develop to

respond during acute moments of disruption as well as before and after a disruption.

COVID-19

At the time of drafting this CEDS, total hospitalization and new COVID-19 cases as measured by a seven-day rolling average entered their highest levels since the pandemic began, a result of the COVID-19 Delta variant and relatively low vaccination rates. Regional hospitals are operating at near capacity and may need to reduce availability of elective procedures. State laws currently curtail local mask mandates and prevent businesses from using vaccination status as a means of distinguishing practices among employees. Small businesses express concern that they have limited options to respond to the current spike in cases and no longer have access to financial assistance to support them if they lose employees or customers due to the current COVID-19 outbreak.

Many businesses already have staffing shortages and reduced hours, making it hard to operate at a sustainable level if their staff are exposed to or exhibiting symptoms of the virus. It is difficult to measure the full economic impacts of COVID-19 on Missoula County while the pandemic is ongoing, but it is anticipated that the effects will continue through 2022 or beyond. Impacts on children's learning may impact our economy for decades.

In the short term, one of the CEDS strategies is to continue to operate the Missoula County Economic Recovery Task Force, a coalition of partners working on a collective response to the economic impacts of COVID-19. During 2020-21, the Task Force helped multiple organizations communicate a shared message of

assistance and guidance, created transparency and clarity around federal, state and local assistance programs, and responded quickly to the needs of Missoula's business community and unemployed individuals. For longer-term recovery efforts, the collaboration and partnership achieved by the Task Force coalition will aid Missoula County in implementing the goals of the CEDS.

climate change

As indicated in the section above, among our region's strengths are quality of life attributes related to the environment and outdoor recreation. These are not only key drivers of our experiential economy, but qualities that attract the talent pool on which many regional businesses depend. Climate change poses a significant threat to this core community strength in the form of overall seasonal trends (lack of snow in the winter and exceptionally hot summers) and in the form of climate related disasters including wildfires and associated smoke, floods, and drought. Climate related disasters pose the additional threat of destruction to critical infrastructure and shocks to local government budgets.

Missoula's city and county governments have adopted several plans to reduce the region's overall contribution to climate change and to adapt to the expected impacts of climate change. The CEDS includes strategies to support implementation of these plans to strengthen and diversify the local economy in a changing climate.



equity

Growing disparities in income and wealth in recent decades have created an urgent need to shape a more equitable economy and to better measure and report on progress toward equity goals. Wealth disparities in the United States have continued to grow. Over the past three decades, the most affluent have increased their net worth while those at the lowest income levels have fallen further behind. America's wealthiest 1 percent possessed about one-third of the nation's wealth in 2019, including over half of American wealth invested in stocks and mutual funds, while the bottom 50 percent of Americans held only 1.5 percent of that wealth.⁹

Inequality can significantly disrupt a healthy economy when community members no longer see value in participating in the economy or seek to dismantle the core institutions that allow the economy to run smoothly. Equality of opportunity reflects the social contract individuals make with each other and their society. But it is also an economic imperative that can improve productivity and competitiveness within the region. For example, by 2027, 49 percent of high school seniors nationally will be students

What Is Equity?

Equity is just and fair inclusion into a society in which all can participate, prosper, and reach their full potential. Attaining equity requires eliminating barriers and providing people with the optimal opportunity to thrive.¹⁰

of color.¹¹ If Missoula wants to compete for these students as a college community, it will need to demonstrate that it is a region where these students can successfully realize their goals.

Missoulians today are more concerned than ever with the pace of economic growth and how equitably the benefits of economic growth are distributed. As MEP worked to engage stakeholders, organizations, and community representatives, many of whom had not been involved in past economic development planning processes, the overwhelming consensus was that we should move away from previous economic development mindsets that assumed that job creation alone was sufficient to create prosperity.

Instead, our community asked for growth that balances preservation and sustainability of Missoula's quality of life while making prosperity accessible to everyone regardless of race, gender, socio-economic status, or education level. This requires a heightened focus on ensuring that more residents can connect to economic gains. This strategy is called **inclusive growth**.

When everyone in Missoula County, regardless of income level, has access to networks and resources that improve social mobility, the overall economy benefits. A more inclusive Missoula economy can continue to sustain the talent and entrepreneurial base that has helped spur decades of growth.

The 2021 Missoula County CEDS envisions an inclusive, vibrant, and sustainable economy that enables all residents to progress toward a more prosperous future. To realize this vision, MEP is committed to ensuring that those most impacted by economic

INCLUSIVE GROWTH

A process that encourages robust long-term growth (**growth**) by improving the productivity of individuals and firms in order to raise local standards of living (**prosperity**) for all people (**inclusion**).

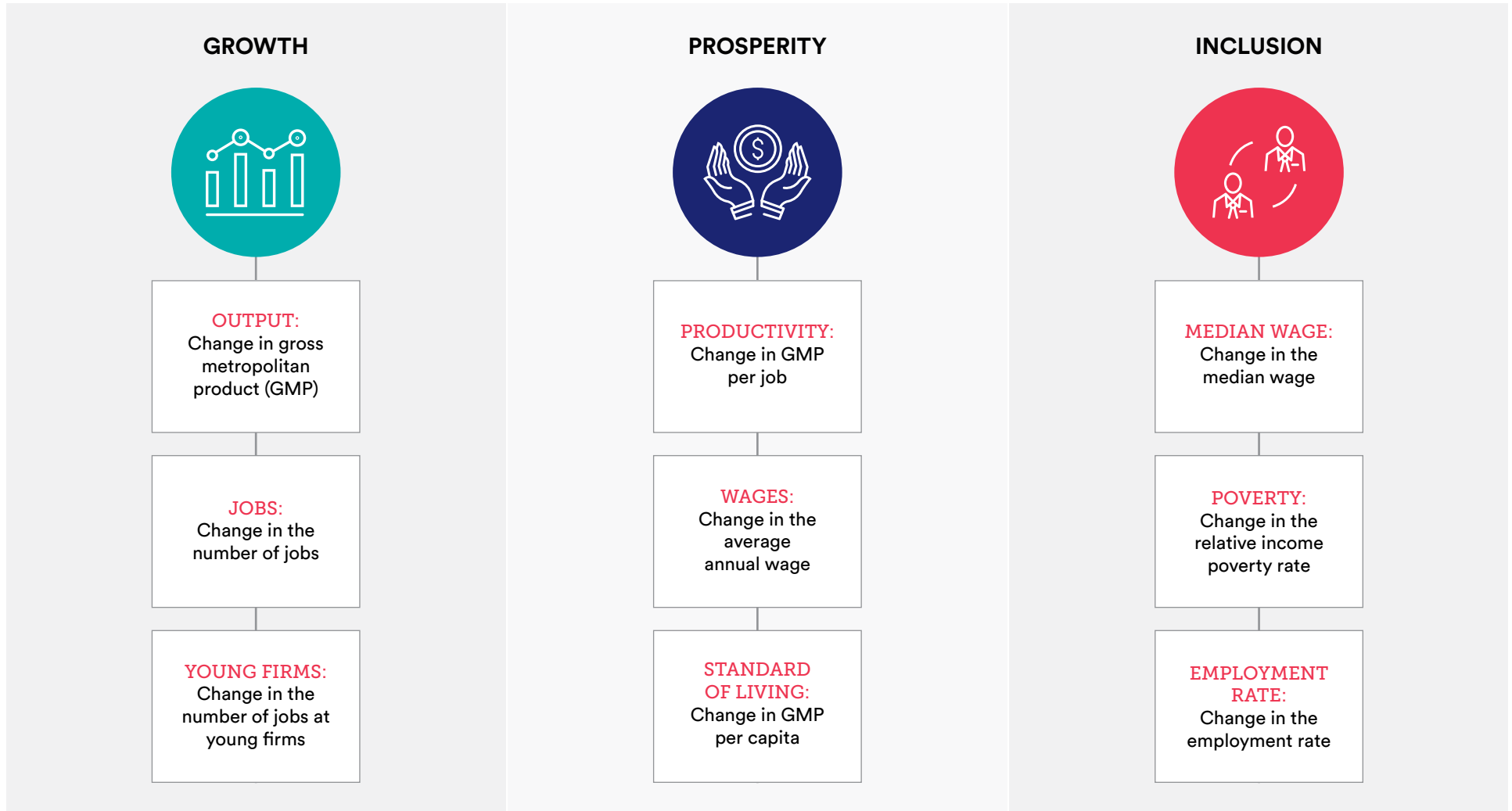


Chart source: Brookings Institution, "Opportunity for Growth: How reducing barriers to economic inclusion can benefit workers, firms, and local economies," Joseph Parilla, 2017



The CEDS envisions an **INCLUSIVE, VIBRANT, and SUSTAINABLE ECONOMY** that enables all residents to progress toward a more prosperous future.

development decisions have a seat at the table as decisions are made. MEP also commits to tracking and sharing indicators of progress, to reveal who is benefiting from growth.

In recent years, the framework of inclusive growth has become central to economic development due to rising economic inequality and its effects on community well-being. This practice asks public-, private-, and social-sector leaders to work together to embed equity into the process of economic development to achieve shared prosperity.

Part of this work can begin by measuring the current inequities that have left some communities within Missoula County unable to fully participate in economic prosperity and developing goals

and strategies to address inequity. This includes traditionally underserved populations, including but not limited to women, Black, Latino, Indigenous and Native American persons, Asian Americans, Pacific Islanders, and rural communities.

The goals and strategies outlined in the CEDS are focused on fostering inclusive growth and unlocking the full potential of Missoula County's economy by dismantling barriers and expanding opportunities. These strategies focus on local business development, entrepreneurship, skill development, and place-based strategies to expand access to affordable housing and infrastructure. A key first step in implementing the CEDS goals is to identify and track the appropriate set of agreed upon metrics for economic equity and share these metrics among key partners.



Photo courtesy of Noteworthy Paper & Press



**economic strategies
to support people**

economic strategies to support people

The purpose of this CEDS is to identify steps we can take to shape our economy so that it benefits all people in our community, including those who are not benefiting from the economy today. To build a regional economy that provides more people with economic security, many factors must align, including access to good jobs, housing, education, and health. This section addresses the relationship of people and these factors to our economy.

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. Each of these elements is discussed in detail to follow.

Most of the time, workforce capacity is not fully utilized. For example, if more people want to work than there are available jobs, some people will either go without work or be forced to leave for better economic opportunities. Alternatively, if we have more jobs than people, some businesses may be forced to close or relocate where there are better opportunities to find workers and build a business.

While a perfect balance of workers and jobs is unlikely, it is nevertheless important to identify the current state of our capacity and work toward the ideal state in which worker capacity is fully utilized. While business is discussed further, it is important to note that regional businesses list available workforce as a major challenge to their viability or growth today.

productivity

Productivity reflects the individual worker's skills, abilities, and experience and how those individual characteristics interact with other resources in the firm (e.g., equipment and other workers) and in the community (e.g., infrastructure).

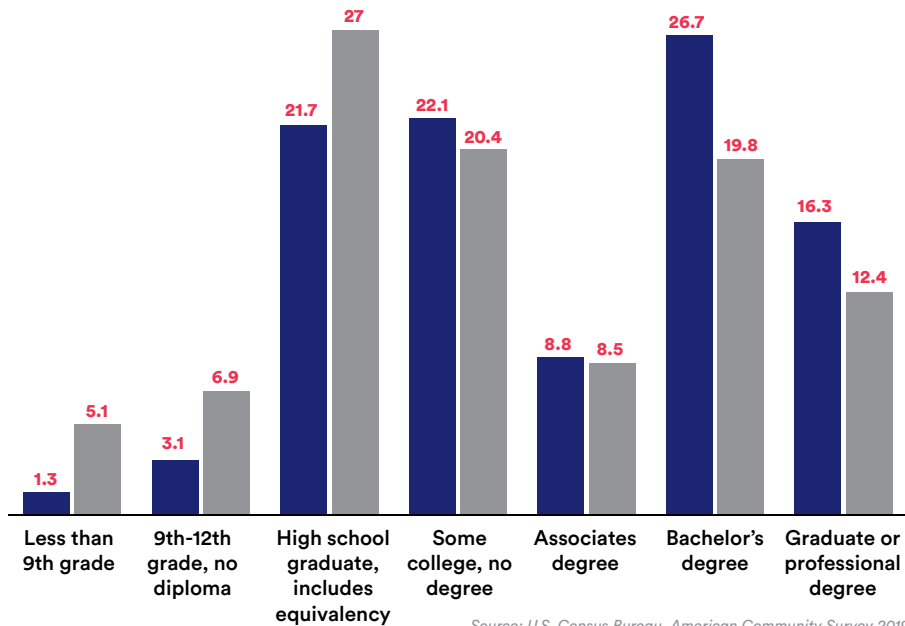
The productive capacity of the workforce rises with the education, skills, experience, and wisdom of the population. University of Montana (UM) and Missoula College provide Missoula with an advantage over many other places by expanding our productive capacity. However, Missoula's education and training capacity must be used efficiently and be well-adapted to expected workforce needs.

**Pre-COVID-19, about
70% of Missoulians
age 16 and older
and 85% of those
between ages 20 and
64 PARTICIPATED IN
THE LABOR FORCE.**

EDUCATIONAL ATTAINMENT 25+

Missoula and US

● Missoula ● US



Like many small cities, earnings in Missoula are low, 75-80 percent of US level. Missoula's hourly wages are low for most major occupation groups, but median earnings are particularly low for people with a bachelor's degree — only 67 percent of the US level in 2019. Missoula's low wages do not imply that Missoula workers are less capable or less skilled. Missoula's workers have substantial capacity. Forty-three percent of Missoula's population over age 25 has at least a bachelor's degree.

In general, productivity rises when capacity is utilized more efficiently. When demand for workers grows, each worker is more likely to find an employer that uses all their skills and abilities.

Productivity can be increased by ensuring that the people who are available to work know about and take advantage of the full range of job opportunities in the region.

Strategies to improve productivity include the ongoing integration of education, technical training, and hands-on work experience for students in secondary and postsecondary education, as well as for skilled technical workers in different career stages. This requires strategic sector partnerships linking employers' workers and education providers to create better-integrated learning environments that meet local employer skill requirements.

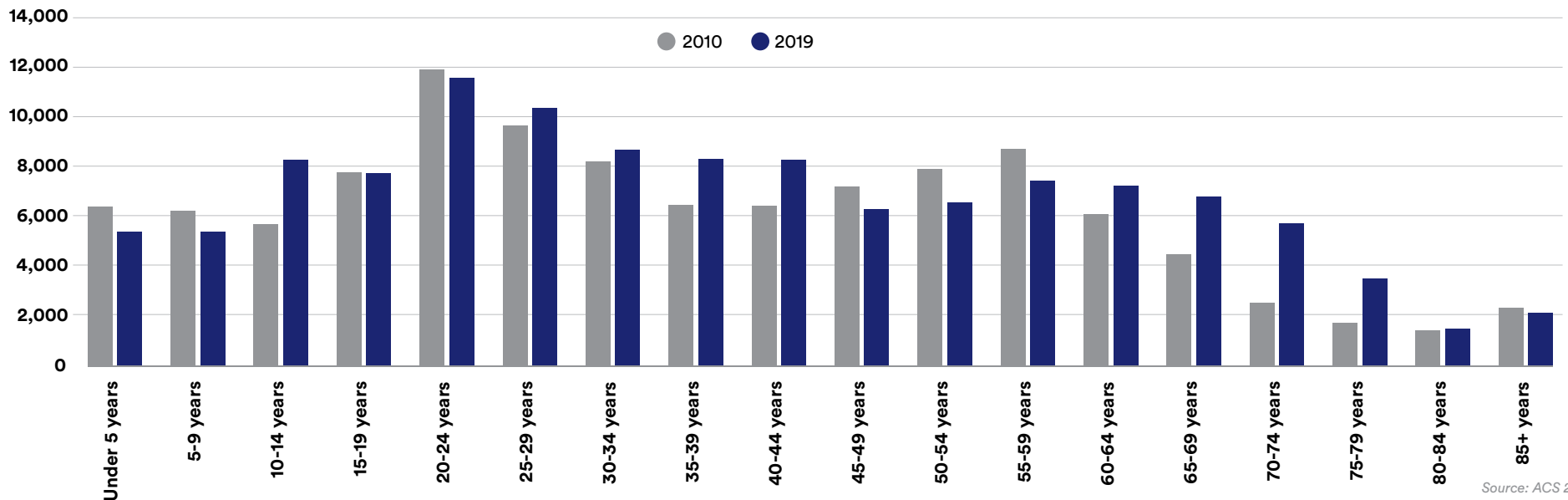
participation

Participation is the share of the population that are willing and able to work. Pre-COVID-19, about 70 percent of Missoulians age 16 and older, and 85 percent of those between ages 20 and 64, participated in the labor force. This placed Missoula in the top 5 percent of all counties in the US. Assuming Missoula returns to this level post-COVID-19, this means Missoula has limited room to increase capacity by drawing people into the labor force. However, hours per worker are relatively low, so Missoula may have a small amount of under-used capacity available.

Workers and employers report that available, affordable, high-quality childcare is a significant challenge to workforce participation. At present, 84 percent of Missoula children under 6, and 88 percent of Missoula children 6-17, live in a household where all parents work. The childcare shortage was impacting Missoula County's economy even before the pandemic, with licensed childcare capacity meeting only about 44 percent of

MISSOULA COUNTY POPULATION BY AGE

2010 and 2019



estimated demand and the majority of Missoula businesses recognizing a shortage. The school and daycare closures during the pandemic worsened this situation, causing parents to reduce work hours.

The expense and shortage of childcare has a great impact on the participation of women in the workforce. The labor force participation rates of women ages 25 to 44 – the ages of most parents with young children – hovers around 75 percent nationally. In comparison, men of the same age range have labor force participation rates closer to 90 percent.

Other reported participation challenges include wages, seasonal work, health, mental health, addiction, and transportation.

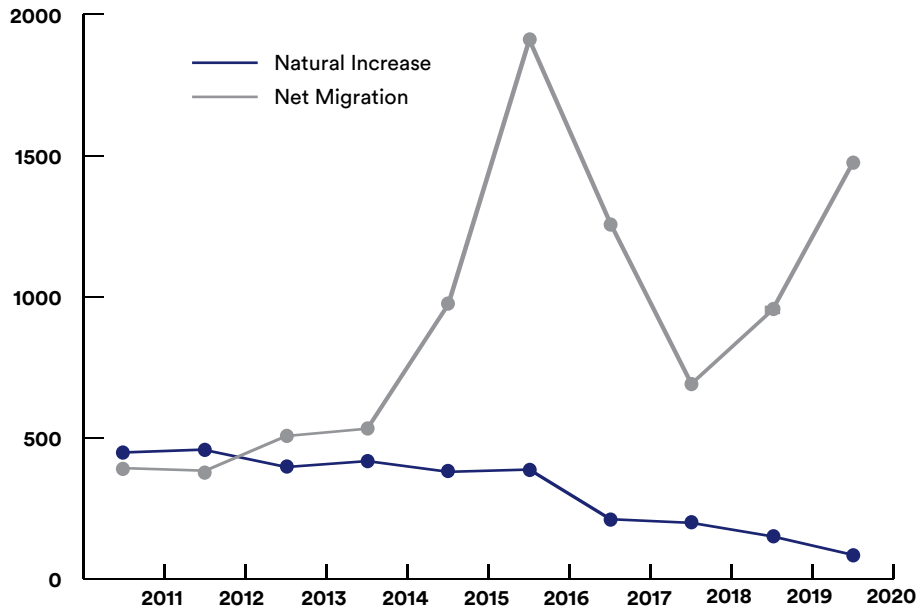
population

The working population available in Missoula is estimated to be 100,000 people and includes the existing working-age population, the population within commuting distance willing to commute to Missoula, and those willing to move to Missoula. Relative to 2010, Missoula has fewer children under 10, fewer college age people, and fewer people ages 45-60.

This creates several challenges, including fewer college students in the local workforce pipeline, an ongoing wave of potential

COMPONENTS OF POPULATION CHANGE IN MISSOULA

July 1, 2010 - July 1, 2020



Source: Census Population Estimates Components of Population Change

retirement, and fewer people ages 45-60 to fill roles requiring more experience. To the extent that workers move away (or don't relocate to Missoula), limited job opportunities (particularly for spouses) or high housing prices relative to wages are often cited as reasons.

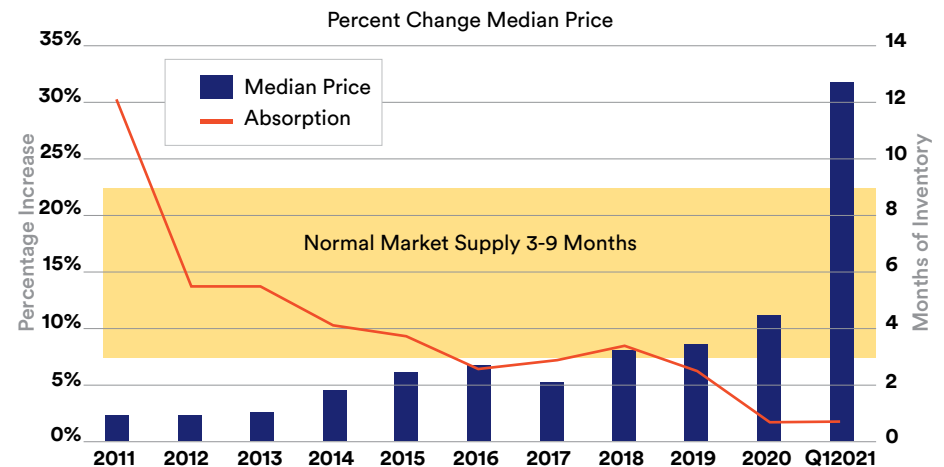
To boost capacity through population, Missoula must keep its current population and attract students or workers from elsewhere. Between July 1, 2010, and July 1, 2020, Missoula's population increased by over 12,000. Roughly 75 percent of this increase stemmed from more people moving to Missoula than

moving away; the remaining 25 percent reflects more births than deaths. However, in recent years the rate of natural increase has fallen.

housing

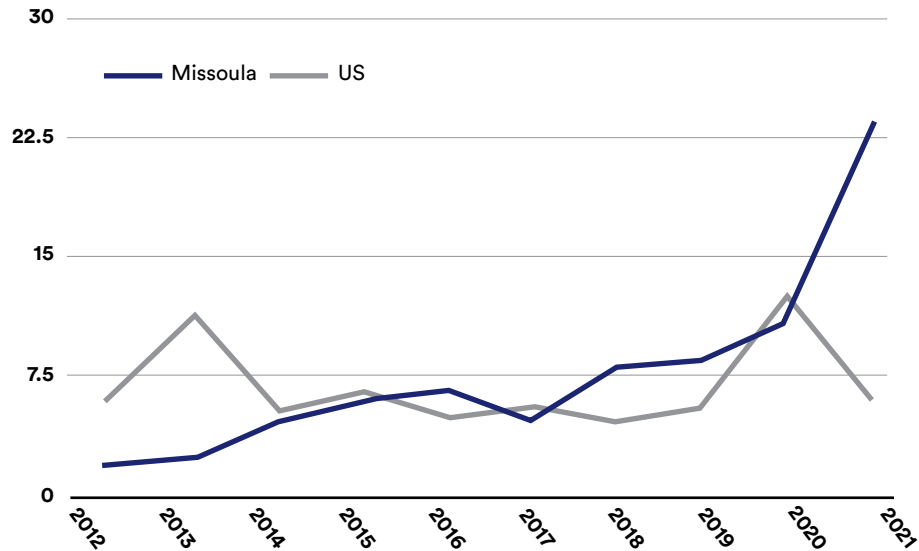
Rapidly rising home prices impact the working population by increasing the challenges of both attracting workers from elsewhere and retaining employees whose housing is not secure. By far, housing affordability and availability was identified as the most pressing issue in a current assessment of Missoula's labor market. Many Missoula employers report hiring people who cannot find housing. Others report existing employees losing their current housing and struggling to find alternatives, resulting in many choosing to move elsewhere. Home values are up over 32 percent across Missoula County, rents have increased, and vacancy rates are down.¹²

MISSOULA HOUSING DATA



Source: Missoula Organization of REALTORS®

PERCENT CHANGE IN MEDIAN SALES PRICE



Source: Missoula Organization of REALTORS®

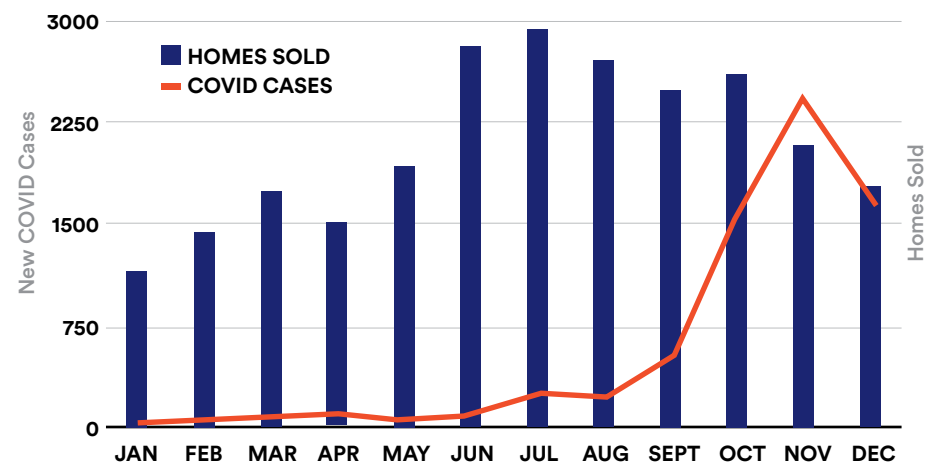
Demand for housing in Missoula is strong and the potential for more remote work may push it even higher in coming years. Currently, demand is far outpacing the supply of housing. How housing supply responds to this demand will shape Missoula's future. If growing demand is not met with rising supply, housing prices will rise and the set of people who can afford to live in Missoula will change.

This will change Missoula's economy as some types of work, some firms, or some industries become unviable at the wages required to afford housing. On the other hand, if supply expands to meet

demand, population will grow more quickly. This will create challenges related to expanding infrastructure to accommodate a larger population and avoid congestion.

Between 1991-2021, housing prices in Missoula rose by 205 percent (adjusted for inflation).¹³ While falling interest rates contributed to rising home values nationwide, inflation-adjusted home prices only increased by 62 percent nationally over the same period. Thus, Missoula's home prices appreciated at the fourth fastest rate among all metro areas. It is important to note that Missoula's home values do not *always* appreciate at rates faster than the US. Rather, at various points (e.g., the early 90s, early 2000s, 2006-2007), home values in Missoula surged before returning to rates similar or below rates in other areas.

COVID IMPACT ON MISSOULA HOME SALES



Source: Missoula Organization of REALTORS

Missoula is currently experiencing another surge. Missoula's home values grew slightly faster than the US in 2017 and 2018, moderately faster than the US in 2019 and exploded since the start of the COVID-19 pandemic. According to the Federal Housing Finance Agency's House Price Index, house prices in Missoula increased by 23 percent since the start of the pandemic, this ranked 13th among all metro areas.¹⁴ After a slight downturn in sales following the stay home directive, Missoula experienced the highest number of homes sold in over two decades in 2020.

Even though housing prices in Missoula have risen substantially, monthly payments as a share of income have not. For instance, if the median Missoula household bought the median home in 1990 (assuming a standard 30-year fixed rate mortgage with a 20 percent down payment), their principal and interest payments consumed 24 percent of income.¹⁵ In 2019, monthly principal and interest payments for the median Missoula home also comprised 24 percent of median household income.¹⁶ In terms of the monthly payment, rising income and falling interest rates offset rising home prices.

However, rising incomes and falling rates do not offset the rising cost of the down payment. In 1990, the down payment for the median home was slightly more than half the median household income.¹⁷ In 2019, the down payment for the median Missoula home was nearly 110 percent of the median household income.¹⁸ Thus, even though mortgage payments did not consume significantly more household income, it is much more difficult for household to save the money required to buy a home.

**According to the
Federal Housing
Finance Agency's
House Price
Index, house
prices in Missoula
increased by 23%
since the start of
the pandemic.**

HOUSING AFFORDABILITY INDEX

	5% Down	5% Down	5% Down	5% Down	20% Down	20% Down	20% Down	20% Down
	2018	2019	2020	Q1 2020	2018	2019	2020	Q1 2020
Median Home Price	\$290,000	\$315,000	\$350,000	\$420,000	\$290,000	\$315,000	\$350,000	\$420,000
Down Payment	5%	5%	5%	5%	20%	20%	20%	20%
Interest Rate	4.625%	3.75%	2.5%	3%	4.625%	3.75%	2.5%	3%
Loan Term	30	30	30	30	30	30	30	30
Actual Loan Amount	\$275,000	\$299,250	\$332,500	\$399,000	\$232,000	\$252,000	\$280,000	\$336,000
Monthly Payment on Loan	\$1,416	\$1,386	\$1,314	\$1,682	\$1,193	\$1,167	\$1,106	\$1,417
Homeowners Insurance	\$76	\$83	\$92	\$110	\$76	\$83	\$92	\$110
Mortgage Insurance	\$200	\$217	\$180	\$216	\$0	\$0	\$0	\$0
Taxes	\$302	\$328	\$365	\$438	\$302	\$328	\$365	\$438
Total Monthly Payments*	\$1,994	\$2,014	\$1,950	\$2,446	\$1,571	\$1,578	\$1,563	\$1,965
Missoula MSA Median Family Income	\$67,826	\$72,141	\$84,279	\$84,279	\$67,826	\$72,141	\$84,279	\$84,279
Median Family Income Needed to Purchase Median Priced Home	\$95,731	\$96,661	\$93,616	\$117,402	\$75,408	\$75,735	\$75,014	\$94,308
Housing Affordability Index	71	75	90	72	90	95	112	89

Source: Missoula Organization of REALTORS. Affordability index calculated using National Association of REALTORS® methodology. Missoula Metro Statistical Area (MSA) Median Family Income estimates are based on 2014-2018 ACS, U.S. Census Bureau.

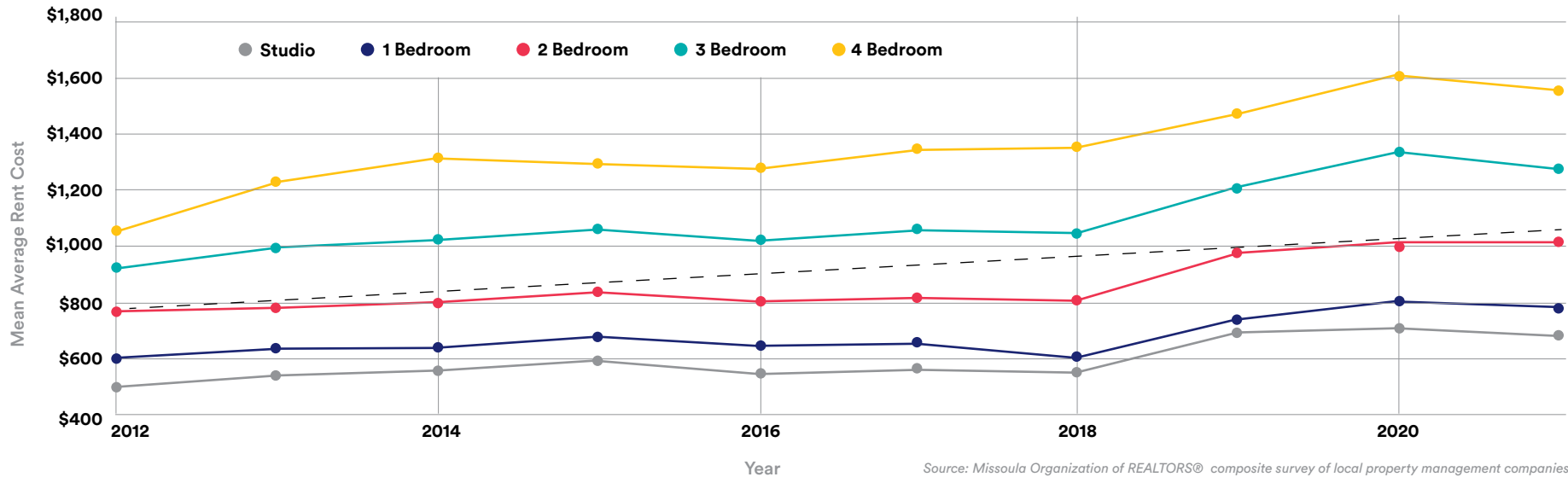
Missoula Organization of REALTORS® Housing Affordability Index provides a local snapshot of affordability for both a 20 percent down payment as well as a 5 percent down payment. An index value below 100 indicates that median family income is insufficient to afford a median price home in the Missoula market.

The fact that Missoula's home prices are increasing much faster than in other places means that Missoula is becoming less affordable relative to most of the rest of the country. In 2019, the median US household could buy a median price home with a down payment of only 73 percent of annual income and principal and interest payments of only 21 percent of median income.¹⁹

Housing affordability also depends on rents. Historically, rent in Missoula was cheap relative to homeownership. While home prices in Missoula are well above the US level and typically rank toward the top of all metro/micro areas, usually ranking between 50th and 70th or top 10 percent, in 2019, median rents were below the US median and ranked roughly 300th.²⁰ Like home values, rents have surged since COVID-19. According to one local source, rents may have risen as much as 20 percent during COVID-19.²¹ It is important to note that home rental data is less available than home sales data and therefore includes greater uncertainty.

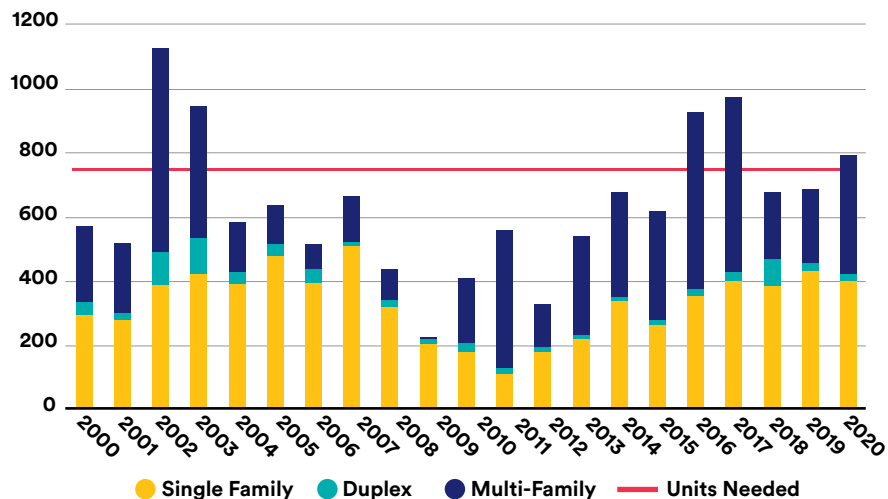
MEAN AVERAGE RENT COST BY SIZE AND TYPE

City of Missoula



MISSOULA URBAN PACE OF DEVELOPMENT

New Building Permits



With a few exceptions, development of new housing has not kept pace with population growth over the past two decades. This has contributed to a tightening of overall supply in both homes for sale and rental units as the new housing deficit grows.

There are several ways to address affordability for housing in the current climate, including increasing the supply of housing, especially in forms that target median wage workers; accelerating the rate at which housing development can respond to the market; reducing the cost of housing development; assisting homebuyers with down payments; and generally increasing wages (addressed earlier in this document). Failure to maintain the attributes that make Missoula desirable could also reduce housing demand and prices, but this would come with many other negative impacts on the economy.

In 2019, the City of Missoula adopted “A Place to Call Home,” a comprehensive strategy to minimize barriers and provide financial incentives where possible to promote the production and preservation of diverse, healthy, and safe homes that all Missoulians can afford. Missoula County is in the process of developing a similar housing policy. Relevant goals and actions from these plans are reflected in the CEDS Implementation Plan, especially where the private sector can provide additional capacity to advance goals.

► **goals:**

1. Develop a community economic equity dashboard to measure inclusive growth
2. Expand access to higher wage jobs for all Missoula County residents through connection to education, career development, specialized training, and work-based learning
3. Increase access to high-quality early childhood education and decrease childcare expenses for working families
4. Increase the supply of affordable and middle-income housing for both owners and renters





economic strategies to support businesses

economic strategies to support business

Business growth provides the benefits of increased jobs in the community, increased services for community members, and increased tax base to support community needs. Increasing the diversity of businesses can provide the advantage of making the community more resilient to shocks to any one industry. However, having key industry clusters can leverage assets within the community and in the businesses within the cluster.

The two best sources of new jobs in our region are growth in those businesses that already exist here and start-up of new businesses here. These typically account for more than 80 percent of new jobs, compared to fewer than 20 percent of new jobs created by companies relocating to the region. This section addresses existing businesses, start-up businesses, and attracting businesses to the region.

growing existing business

Exactly which businesses are growing fastest has shifted over the last 50 years. Growth in our region's manufacturing and government sectors has slowed. At the same time, the professional services sector, including finance, insurance, and real estate, has grown significantly.

A study done in 2018 identified industry sectors for which the region holds a competitive advantage and in which the greatest potential for future growth exists. The study recommended that Missoula County prioritize support for five best-fit industries, seeking to balance the benefits of industry clusters with the benefits of fostering industry diversity.

The best-fit industries for Missoula County are:

- **BIOSCIENCE**
- **CREATIVE PROFESSIONAL & BUSINESS SERVICES**
- **HIGH-VALUE TECHNOLOGY SERVICES**
- **HIGH-VALUE MANUFACTURING**
- **EXPERIENTIAL ECONOMY**

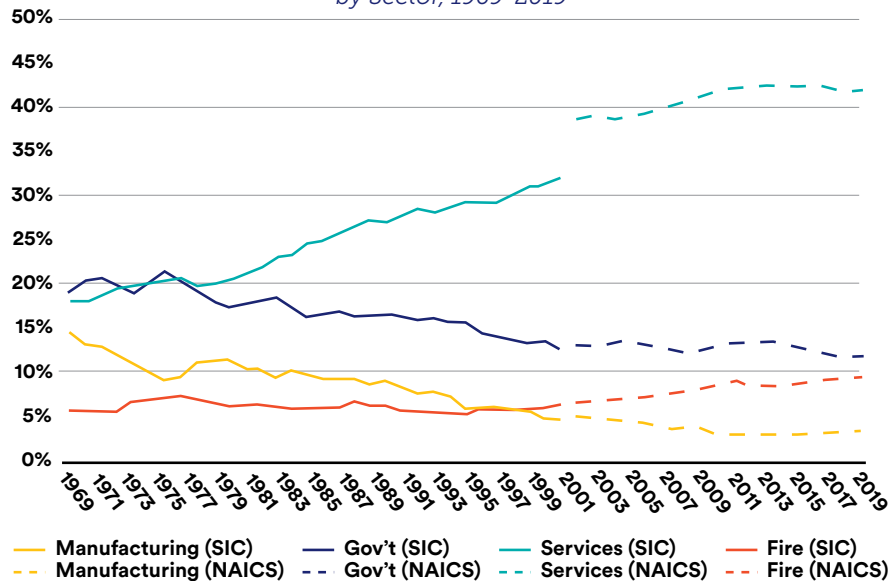
BEST-FIT INDUSTRIES FOR MISSOULA COUNTY

Bioscience	Creative Professional & Business Services	High-Value Technology Services	High-Value Manufacturing	Experiential Economy
Forestry Support Services (Including Disaster Management Technology)	Finance & Insurance Activities	Satellite Communications	Craft Breweries & Distilleries	Lifestyle Entrepreneurs
Environmental Consulting Services	Business Support Services	Technology Engineering Services & Consulting	Veneer, Plywood, & Engineered Wood Products (Including Sustainable Building Material)	Co-Working & Shared Office Facilities
Geophysical, Surveying & Mapping Services	Office Administrative Services	Computer Systems Design	Sawmills & Wood Preservation	Local or Unique Retail
Scientific & Technical Consulting Services	Multimedia, Animation & Video Production	Data Processing, Hosting & Related Services	Recreational Equipment	Performing Arts Companies
Medical & Diagnostic Laboratories	Architectural & Related Services	Data Science & Analytics	General Beverage	Traveler Accommodations
R&D in the Physical, Engineering, and Life Sciences	Legal Services	Software Publishers	Medical Devices	Performing Artists, Writers & Performers
Testing Laboratories	Accounting, Tax Preparation, Bookkeeping, & Payroll Services	App Design/Custom Programming (Including Health IT)	Pharmaceutical & Medicine	Ecotourism
Telepharmacy & Pharmaceutical Distribution	Marketing		Plastic Products	Promoters of Performing Arts, Sports & Similar Events
	Design Services			Spectator Sports

Source: 2018. Garner Economics, LLC. "A Competitive Realities Report and Target Industry Strategy for Missoula, Montana."

MISSOULA COUNTY EMPLOYMENT

by Sector, 1969-2019



Source: ABMJ analysis of US, Bureau of Economic Analysis data.

The best-fit industries for Missoula County are Bioscience, Creative Professional & Business Services, High-Value Technology Services, High-Value Manufacturing, and the Experiential Economy.

Of the five best-fit industries, Bioscience, Creative Professional & Business Services, High-Value Technology Services, and High-Value Manufacturing include businesses that tend to be classified as “traded-sector” companies, which primarily produce goods and services to serve markets outside the Missoula region.

The Experiential Economy target sector is composed of companies that are part of Missoula’s “local-sector” economy. These companies primarily produce goods and services to satisfy local markets. This sector also includes Missoula County’s

arts, recreation, and tourism-focused businesses. Local-sector companies make Missoula County a desirable place to live, work, and do business.

Growing and strengthening Missoula County’s traded sector can provide many local benefits: new money introduced into the economy as companies attract new business; potentially higher wages for local- and traded-sector workers as productivity increases; and potentially higher entrepreneurialism and small business growth as local opportunities increase, leading to the expansion of local-sector companies.

The keys to growing businesses in both local and traded sectors include: an educated and trained workforce, affordable housing for Missoula’s workforce, modernized infrastructure and connectivity to outside markets, available space for growing businesses to expand, and a favorable business climate.



CEDS working groups identified the following barriers currently impacting the growth of Missoula County businesses:

- Housing cost and availability
- Workforce skill and availability
- Rising costs of goods and materials
- Declining availability of office and industrial sites
- Limited transportation and access to international markets
- Complex local and state government regulations



starting new businesses

Entrepreneurs are important to regional success. Starting a company creates new jobs and helps bolster the local economy. New firms, which contribute disproportionately to job creation, have an important role in employment growth. Missoula has more entrepreneurs than most other places, ranking in the top 10 percent of all metro/micro areas in the share of self-employed workers in incorporated businesses.²²

Entrepreneurship has declined slightly in recent years; however, new business formation surged during the COVID-19 pandemic.²³ Missoula County and the state of Montana's rate of entrepreneurship remains high compared to the entire US.²⁴

Missoula entrepreneurs, like Montana entrepreneurs, tend to build small businesses that serve local markets. Montana startups are also less likely to scale up to a larger size and are generally less interested in growing larger in terms of sales or profits.²⁵

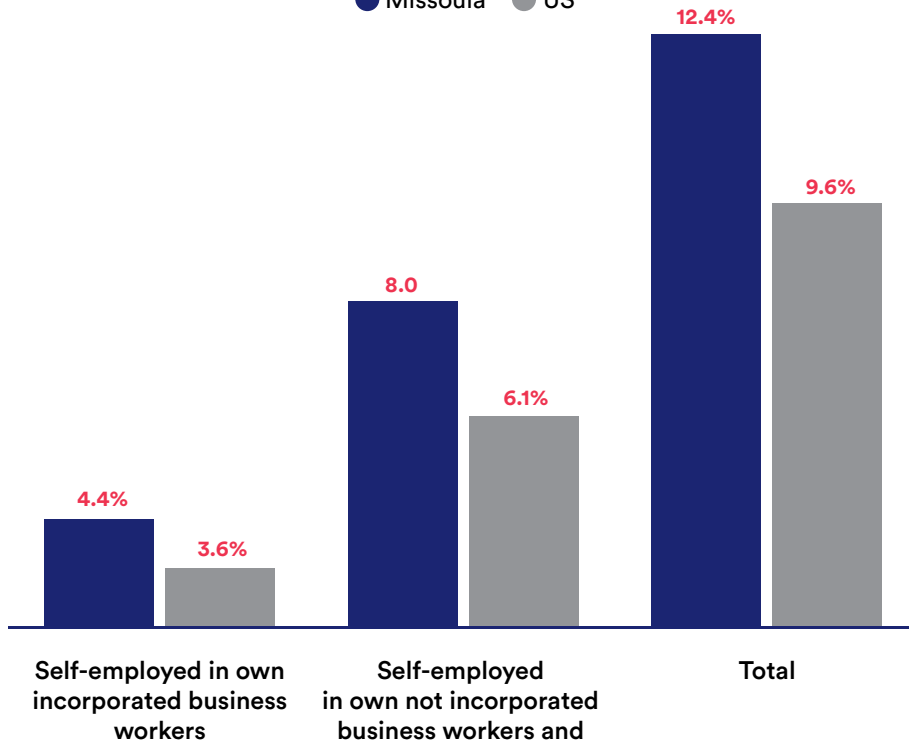
CEDS working groups identified these barriers currently impacting Missoula County startups:

- Access to capital
- Declining availability of office and industrial sites
- Workforce skills and availability
- Access to entrepreneurial support networks

% OF EMPLOYED WHO ARE SELF-EMPLOYED

(2015-2019)

● Missoula ● US



commercial development

The availability of sites and buildings for new and expanding businesses is a critical part of Missoula County's infrastructure assets. Missoula is currently facing increased demand for industrial, warehouse, and Class A office space. At present, Missoula County has a number of sites for both new and re-development that offer opportunities for local and national investment.

attracting businesses

Attracting new businesses accounts for less than 20 percent of new jobs, but done strategically it can spur innovation, jump start hiring when job creation is low, help advance key industry clusters, and provide important complementary benefits to existing businesses or institutions in our community.

A 2019 survey of corporations considering expansion or relocation found that corporations ranked labor availability as the top priority in scouting locations, ahead of tax exemptions and government incentives.²⁶ The same survey also found that quality of life ranks above incentives. In short, corporations select locations based first on overall fit and qualities; they may consider incentives later to finalize the choice. Missoula County's best business attraction strategy may be to increase workforce availability and protect or even improve the community's overall quality of life.

▶ goals:

1. Support the expansion and increased productivity of businesses in Missoula County
2. Support new commercial developments that enable growth of best-fit industries
3. Support entrepreneurship and business innovation
4. Attract new businesses to Missoula County that align with vision for economy



photo by Steven Cordes on unsplash

economic strategies to support place

economic strategies to support place

As noted previously, the Missoula region is rich in place-based strengths. Some of these strengths are easy to define, including the natural environment and recreation opportunities, multiple healthcare facilities, the University of Montana and Missoula College, an expanding regional airport, and vibrant music, food, and arts sectors.

Participants in the planning process consistently referenced other place-based strengths that are harder to define discretely, but when combined with the list above make Missoula unique and strongly influence our residents' decision to call this place "home." These included Missoulians' traditional respect for one another's wide ranging views; shared commitment to community building, philanthropy, and working together to build a better future; an abundance of unique, locally owned business; and that the region has traditionally been a place where one could enjoy a high quality of life with relatively modest financial resources.

With recent business and job growth, Missoula County's population has grown by 9.4 percent over the past decade, adding more than 10,000 new residents to the area. This is despite a downward trend in University of Montana enrollment over the same period. Projections indicate that the county's population will continue to grow. One concern expressed repeatedly throughout the process is how this growth can be directed in ways that enhance and improve the region's existing place-based strengths.

infrastructure

As the region continues to prepare for anticipated population and business growth, two key patterns have emerged that

**Missoula County's
population has
grown by 9.4% over
the past decade,
adding more than
10,000 new residents
to the area.**

define infrastructure needs: the investment of infrastructure to support redevelopment and increased density near existing developed centers, and the need to identify new places that can accommodate future growth. The City of Missoula and Missoula County have robust plans and implementation strategies to support the community's infrastructure and transportation needs. Available funding and rising costs of materials and labor are leading challenges for implementing these plans.

**THE HEART
OF MISSOULA
AND MISSOULA
MIDTOWN are two
areas within the
urban core that
have potential to
accommodate
residential and
commercial growth.**

Missoula's Sx^wtpqyen (formerly Mullan Road) Area and recently designated TEDD district at the Wye represent areas that will receive significant infrastructure improvements and have capacity to absorb significant commercial and residential growth. The Wye TEDD designates 470+ acres for investments in infrastructure to support commercial and industrial development. Estimates suggest the Sx^wtpqyen area could support 6,000 housing units.²⁷ Fully utilizing infrastructure investments in these areas will promote efficient use of limited resources when accommodating regional growth.

The County is currently updating zoning policies which will better define longer term targets for accommodating growth. Additional resources from the federal government to support infrastructure, especially sewer and water connectivity in rural parts of the county, will be critical to expand these services. Significant federal funds are expected to be available through federal infrastructure bills and the American Rescue Plan Act (ARPA) relief package.

The Heart of Missoula and Missoula Midtown are two areas within the urban core that have potential to accommodate residential and commercial growth. The Heart of Missoula has a comprehensive plan, called the [Missoula Downtown Master Plan](#). Missoula Midtown is in the early stages of developing a comprehensive plan and is expected to complete the planning process in the next two years.

Within the Missoula City limits there remain streets or neighborhoods that lack infrastructure like municipal sewer and water, sidewalks, and fiber, while relatively dense rural

communities still rely entirely on wells and septic systems. These gaps are largely identified and mapped, with the exception of broadband fiber which has not been comprehensively mapped.

Broadband fiber is essential for many families to access economic opportunities in Missoula's economy. The State of Montana is currently using ARPA funding to develop a comprehensive map of fiber gaps, and the state's broadband providers have access to sufficient federal funding to make major improvements in broadband availability and address many of these gaps in the coming five years. One significant efficiency gain that can be made toward better high-speed access is to ensure timely communication between broadband providers and any new road construction, as placing conduit in the ground is the largest cost in expanding networks.

Near term transportation plans are defined in Missoula Connect, the long-range transportation plan released in June 2021. Near term priorities include complete streets, urban active transportation improvements, shared use path and trail connections, safety improvements and enhanced crossings, roadway extensions, and bridge or crossing improvements. Conversion of downtown Missoula's Front and Main Streets from one-way to two-way are also priority. Additional details on individual projects can be found within the plan, linked [here](#).

Missoula County's international airport is currently undergoing major expansion and renovation. The new airport will provide a modern state of the art hub for air travel in the region and will add capacity for more flights and passengers. Completion of the current new construction project and adjacent renovation, as





well as expanded service, remain a high priority for the regional economy. Businesses have long requested improved access to the San Francisco Bay Area and to the northeastern US coast.

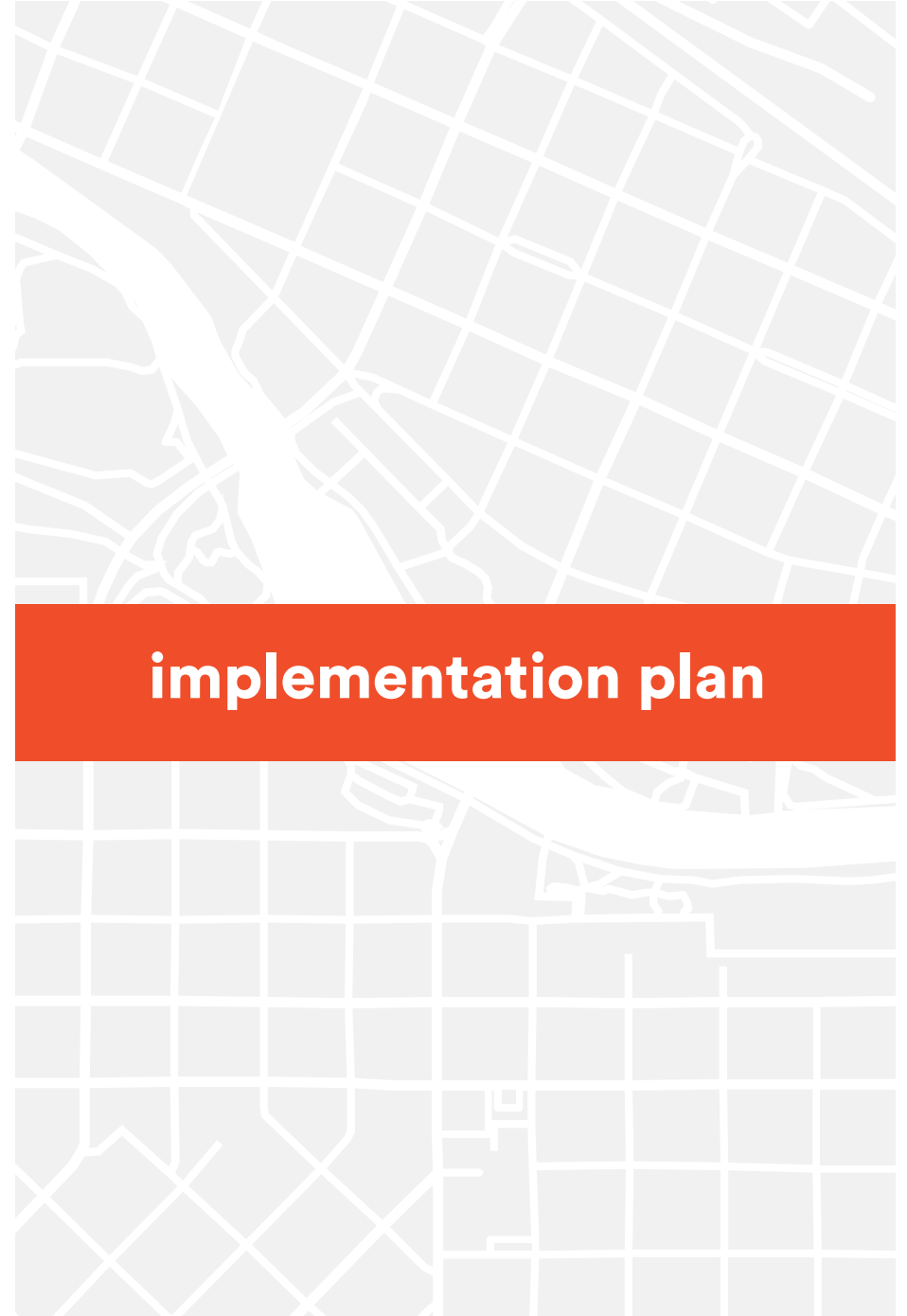
Regional public transportation is lacking, and in conversations during the process, two schools of thought emerged. First, that with the transition toward more flexible remote work, much of the need for regional public transportation infrastructure may be unnecessary. Alternatively, that with rising population and increased cost of building in urban centers, need for this infrastructure would increase. More needs to be studied in this area once longer-term trends are understood.

While outdoor recreation, events, and entertainment are a major part of the regional quality of life for residents, they are also major contributors to our tourism economy. In recent years, and especially during COVID-19, the volume of users of many of these assets,

particularly outdoor recreation, have increased, especially during peak season. Development of a comprehensive regional tourism plan that looks at assets, impacts, and additional investment in infrastructure that can support tourism and accommodate local users would be beneficial for further developing this industry while enhancing Missoula County residents' overall quality of life.

► **goals:**

1. Sustain the natural environment and surroundings that play a major role in public health, quality of life, and economic success
2. Expand and maintain the physical infrastructure that connects all individuals and communities to regional opportunity



OUR VISION

The Missoula regional economy is equitable, inclusive, and resilient – offering every resident a path to prosperity for a lifetime.

implementation

This implementation plan defines ways to shape our economy toward the stated vision through shared goals and actionable strategies. Progress will be evaluated by the completion of strategies and resulting impacts tracked through a standard set of measures that can be regularly updated for Missoula County.

The measures selected are intended to:

1. be measured against a target
2. be compared to the state of Montana and the US overall whenever possible
3. be sufficiently available so that our ability to measure change over time is not overly dependent on unsustainable funding or costly data collection methods
4. be evaluated regularly for relevancy or gaps

CEDS goals presented throughout the document are supported with actionable strategies and initial metrics to monitor progress toward each goal. Agreeing on appropriate targets for these metrics is one of the first tasks for the coalition of partners working to implement the CEDS goals.

people objectives

- **goal:** Develop a community economic equity dashboard to measure inclusive growth

strategies

1. Engage in primary and secondary research and data collection to answer “Are economic development activities expanding opportunities for individuals who have faced historic bias and/or disadvantage?”
2. Based on the goals of this Comprehensive Economic Development Strategy, select a set of metrics that can be updated and evaluated regularly and set targets for change to measure and benchmark over time
3. Establish a public dashboard to report on Missoula’s progress towards inclusive economic growth

metrics

- To be determined based on work outlined in above strategy and stakeholder engagement

- **goal:** Expand access to higher wage jobs for all Missoula County residents through connection to education, career development, specialized training, and work-based learning

strategies

1. Develop and update workforce and education policies and programs that are aligned with skills needed in sectors poised for growth
2. Expand knowledge of in-demand career pathways

3. Improve awareness of industry trends among students, workers, educators, and trainers
4. Improve awareness of workforce and educational trends among industry leaders
5. Prepare students and workers for the increasingly technology-driven jobs of the future
6. Collect and share stories of Missoula County businesses that implement sound diversity, equity and inclusion practices, pay workers well and provide benefits that improve workforce participation
7. Increase student enrollment at UM and Missoula College
8. Plan and implement the Missoula Promise college component, providing Missoula College tuition assistance to every Missoula County high school graduate
9. Support initiatives and investment in infrastructure and technology that helps businesses headquartered in Missoula’s urban center recruit remote employees in Missoula County, and the surrounding rural communities

metrics

- Annual Population Estimates Components of Population Change, US Census Bureau
- Employment Rate (EPOP)
- Labor Force Participation, Segmented by Sub-Population, US Census Bureau

- Median Hourly Wage as Percent of US Median by Occupation, Bureau of Labor Statistics Occupation Employment and Wage Statistics
- Inflation Adjusted Earnings, Bureau of Labor Statistics Occupation Employment and Wage Statistics
- Personal Income, US Census Bureau, American Community Survey
- Educational Attainment, US Census Bureau, American Community Survey
- Poverty Rate, US Census Bureau, American Community Survey

- **goal:** Increase access to high-quality early childhood education and decrease childcare expenses for working families

strategies

1. Increase availability and affordability of Missoula County childcare
2. Expand available workforce for businesses by providing businesses with knowledge and resources to support families with young children
3. Establish a credentialed training program for childcare workers
4. Advocate for programs and policies that provide business development resources and incentives to new childcare providers
5. Expand Pre-K programs to serve all Missoula County students

metrics

- Missoula County Kindergarten readiness, Missoula Zero to Five Initiative
- Percent of children under 6 with all parents working that can be served by licensed child care, Montana Kids Count
- Supply Of, Potential Need For, And Gaps In Child Care, Bipartisan Policy Center

- **goal:** Increase the supply of affordable and middle-income housing for both owners and renters

strategies

1. Support implementation of the City of Missoula's housing plan, A Place to Call Home
2. Convene stakeholders in housing industry to identify pinch points in development cycle
3. Attract, incubate, support growth of businesses that can accelerate housing development locally
4. Attract investors and mission driven developers to Missoula's housing market
5. Promote public private partnerships to invest in housing and mixed-use development that fits the growth trajectory and character of Missoula County's communities
6. Advocate for state and local reforms that streamline housing development while maintaining health, safety, and environmental standards



metrics

- Constant Out-Migration Rates Across Population Groups (e.g., renters, low-income workers), US Census Bureau, American Community Survey
- Wage and Income Adjusted for Regional Cost of Living, Bureau of Economic Analysis Regional Price Parities
- Percentage of Growth in Population of Renter and Owner-Occupied Housing Units, US Census Bureau, American Community Survey
- Percentage of Renter and Owner-Occupied Housing Units Where Monthly Costs Are Lower Than 30 Percent of Income, US Census Bureau, American Community Survey
- Missoula Median Home Price, Missoula Organization of Realtors
- Missoula Affordability Index, Missoula Organization of Realtors
- Mean Average Rent Cost by Size and Type, Composite data of local property management companies
- Missoula's number and type of building Permits, Missoula Organization of Realtors

business objectives

- **goal:** Support the expansion and increased productivity of businesses in Missoula County

strategies

1. Increase the number of people available to work and align the skills of the workforce closely with future industry needs (See People Objectives)
2. Encourage investment in facilities that meet the needs of Missoula's target industry sectors
3. Invest in infrastructure (e.g., broadband, roads, rail and air service) to increase Missoula's connectivity to outside markets and reduce transportation costs of goods and services (See Place Objectives for detailed strategies)
4. Connect growing businesses to state and federal technical assistance and funding that supports job creation and workforce training
5. Continue to coordinate the Missoula County Economic Recovery Task Force, facilitating a collective response to the economic impacts of COVID-19

metric

- Gross Metro Product (GMP), Bureau of Economic Analysis

- **goal:** Support new commercial developments that enable growth of best-fit industries

strategies

1. Convene expanding business owners, developers, and City and County planning and development services representatives together to assess regulatory environment and expedite commercial development
2. Create and maintain an up-to-date inventory of the County's sites with redevelopment potential and their development needs to market to prospective investors
3. Foster public private partnerships that meet current and future needs for commercial development and leverage public funding sources for infrastructure
 - a. Support the continued implementation of the Missoula Downtown Master Plan
 - b. Support the creation of additional community-driven plans for Missoula County communities, neighborhoods and districts as needed. Current proposed plans: Midtown Master Plan, West Broadway Corridor Master Plan

metric

- Missoula County Annual New Capital Investment

► **goal:** Support entrepreneurship and business innovation

strategies

1. Facilitate enriched peer-to-peer networking, mentorship, and collaboration opportunities for local companies based on industry and stage of growth
2. Invest in specialized business incubators to provide subsidized facilities and business acceleration services for startups in high-growth industries
3. Increase access to capital, especially for key communities that don't currently have access
4. Research and, if feasible, develop revenue-based funding to support new businesses that need funding to start or grow and advocate for state-sponsored matching programs

metrics

- Self-Employment
- New Business Formation
- Change in Number of Jobs at Young Firms
- Percentage of Minority or Women-owned businesses out of all businesses

► **goal:** Attract new businesses to Missoula County that align with vision for economy

strategies

1. Prioritize firms that align with and strengthen existing business clusters
2. Target firms that pay competitive wages and have a history of investing in their community
3. Prioritize businesses that have low environmental impact and/or enhance quality of life

metric

- Number of Businesses Relocating to Missoula County



place objectives

- **goal:** Sustain the natural environment and surroundings that play a major role in public health, quality of life, and economic success

strategies

1. Support the implementation of community plans focused on reducing the impact of and building resiliency to climate change (Climate Ready Missoula, City of Missoula's Growth Policy, Missoula County Growth Policy)
2. Establish a master plan for developing tourism in a sustainable manner for the benefit of local residents and tourism-based businesses

metrics

- Acres of Park Land and Open Space
- Climate Ready Missoula Implementation Framework

- **goal:** Expand and maintain the physical infrastructure that connects all individuals and communities to regional opportunity.

strategies

1. Focus on building equity and new infrastructure investments for neighborhoods and rural communities that currently lack complete infrastructure, especially as density within the City of Missoula increases
2. Support Missoula County's goal to expand infrastructure in and around existing communities and develop public private partnerships to support infrastructure investments

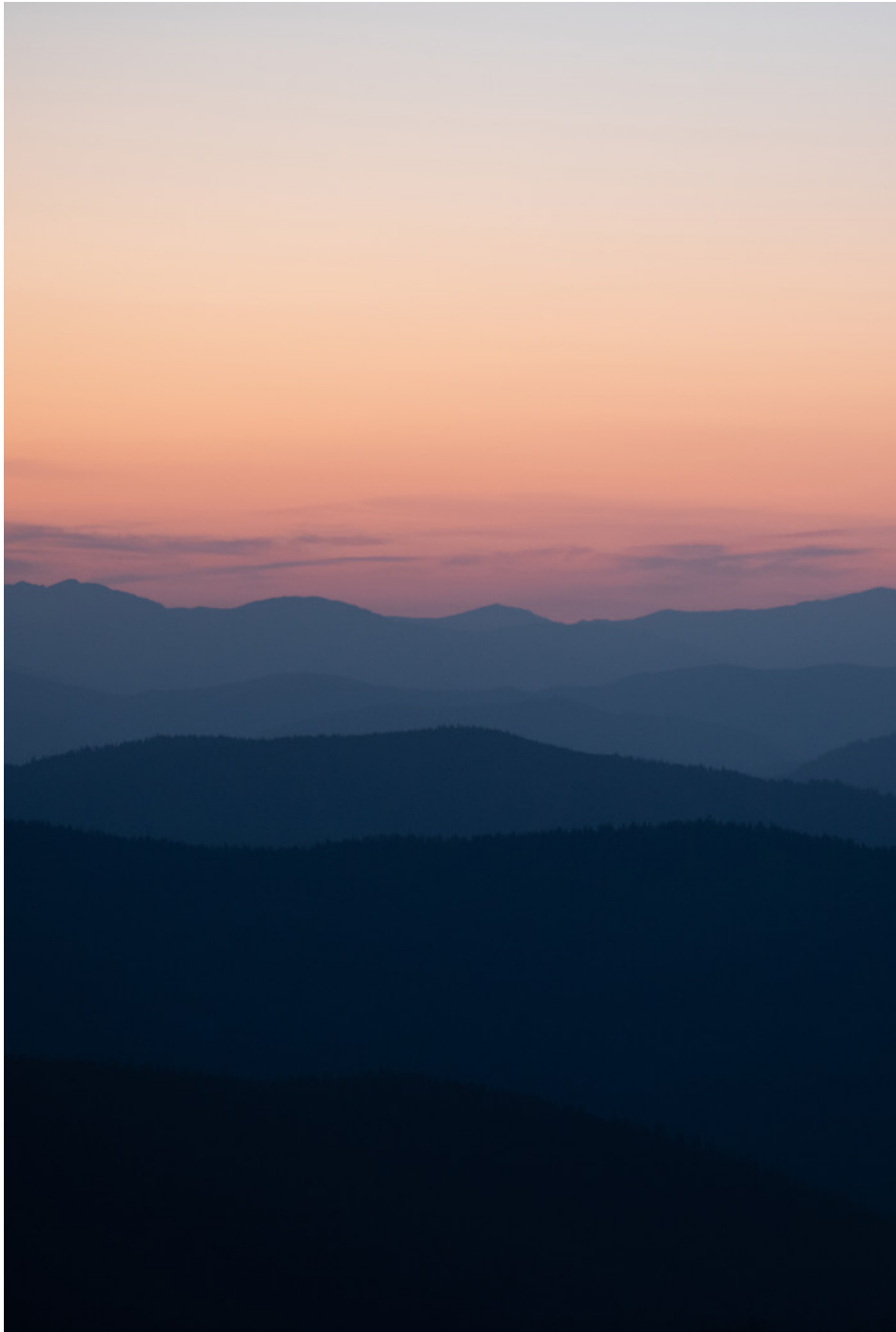
3. Help the County mobilize broad community input as it updates zoning regulations to ensure thoughtful planning that meets future needs
4. Support implementation of Missoula Connect, the City of Missoula's long range transportation plan, which establishes regional transportation goals to support a growing and changing City of Missoula
5. Support and expand air service in Missoula County
6. Complete improvements and expansion of Missoula International Airport (MSO) infrastructure to meet full build out of current strategic plan.
7. Complete a new Airport Master Plan for MSO
 - a. Improve and expand air service routes that connect Missoula and US eastern seaboard emphasizing Washington DC and northeast corridor
 - b. Support a proactive approach to planning, building, and managing infrastructure in the areas of the County adjacent to the City of Missoula by convening public and private sector partners to plan for wholistic infrastructure development.
 - c. Invest in broadband infrastructure development and leverage new federal support for broadband infrastructure, especially to Missoula County's rural communities

8. Support the continued implementation of the Missoula Downtown Master Plan and the Missoula Parks, Recreation, Open Space and Trails Plan and their priorities for infrastructure development in Missoula's urban center
9. Support initiatives to increase funding capacity and diversity of funding sources for infrastructure

metrics

- Montana Broadband Inventory Map, Montana Department of Commerce
- Direct Flights Serving Missoula International Airport





appendix

steering committee members

Jim Bachand

CEO

Missoula Organization
of Realtors

D'Shane Barnett

*Health Director &
Health Officer*

Missoula City-County
Health Department

Emily Brock

*Director of Economic &
Land Development*
Missoula County

Ellen Buchanan

Director

Missoula
Redevelopment
Agency

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