

2022

ANNUAL REPORT





Letter from the Board Chair



JASON WILLIAMS

CEO, Blackfoot Communications

Our board of directors is excited to report our annual accomplishments, although our enthusiasm is tempered by the recent loss of our colleague and founder-in-chief, Mayor John Engen. Over a decade ago John rallied local business and government leaders to found MEP in response to the economic shock from The Great Recession. Page 11 of this report recognizes John's role in shaping MEP's mission, vision, and outcomes.

With your help MEP accomplished much this past year. We directly supported area businesses with plans to expand facilities, add jobs, navigate COVID-19, and identify tools to address emerging workforce shortages. We suspended our emergency COVID-19 response and closed out our 2016 strategic plan, finally turning our attention toward the "new normal" by adopting a 5-year strategic plan that responds to the dynamic, post-pandemic economy.

MEP led a 9-month effort to complete a countywide Comprehensive Economic Development Strategy (CEDS), which informs our goals and direction, defines our operating activities, allows us to more efficiently collaborate with partners, and is already allowing our community to access new funding through the U.S. Economic Development Administration.

For the first time, we hosted the Big Sky Business Insight Summit (Big Sky BIS), our new annual conference, in person. The event showcased experts from across the state and nation who are pioneering ways for businesses to partner across industry and sector to deliver creative workforce housing and childcare solutions. We're pleased to share the products of our work in the pages that follow, and we thank you for your investment that makes it possible.

SUPPORTING GROWING BUSINESSES

MEP Helps Missoula County Manufacturers Grow to Meet Demand

High value manufacturing is one of the sectors we prioritize in developing a resilient local economy. Notably, recently published research indicates that in a tight labor market, job growth typically associated with this sector can have the biggest positive impact on earnings among local residents. It is therefore welcome news that in recent years this sector has experienced an exciting resurgence, adding three times more jobs than the average among all sectors countywide and far outpacing national trends.

With unprecedented demand for products and an ever-tightening labor force, business leaders in this sector have been on the cutting edge of innovating employee retention efforts, adopting new technology, and modernizing facilities to accommodate growth and increase efficiency. MEP has helped several of these businesses plan for expansion.

Paradise Dental Technologies

Founded by Linda Miller in 2000 and located at the Missoula Wye, PDT manufactures dental instruments sold worldwide. MEP helped PDT secure a Big Sky Trust Fund grant to support the design and planning of their manufacturing facility expansion. PDT currently employs over 50 people and the new facility aims to increase production and jobs.

Felco Industries

Founded by John Felton in 1983, Felco Industries manufactures high quality excavator attachments designed to increase equipment productivity. Their products are used internationally on underground infrastructure and utility projects. MEP helped Felco Industries access funds to support the engineering and design of a new facility in Missoula.



Spotlight on Diversified Plastics

When Diversified Plastics, the Missoula-based plastics engineering and fabrication business, sought to expand their facility on north Reserve Street, our team worked to secure grant assistance for architecture and engineering planning through the BSTF planning grant program.

Diversified Plastics is led by Brad Reid, whose father, Rod Reid, started the business in his Missoula garage in 1976. The first product they made were engineered plastic strips supplied to local lumber mills. Today, the company's team of 60+ employees make engineered plastic parts that are used in a wide range of industries from agriculture to mining to water treatment.



Diversified Plastics makes a variety of products that reduce wear on industrial moving parts that operate in demanding environments. When Rod retired, trained mechanical engineer Brad took over and focused on investing in technology to increase production. “The biggest change in our industry has been CNC equipment and automation. Technology has made our growth possible,” Brad explained. The expanded facility will allow Diversified Plastics more space to improve its process flow.

Brad also plans to invest in equipment and employee training to automate production. “I’m looking forward to having a space where there’s more possibility for automation and our employees are higher level technicians,” Brad said. “Our real motivation is to get all the workforce to a shop average of \$70,000 per year. That keeps people working here.”

“You have to have a strong purpose in your product line,” Brad said. “Our business is essential to so many industries. I feel confident about surviving in tough times.”

MEP's Strategic Plan Comes to Fruition

MEP has operated on a fundamental model since inception. We work with you, other members of the community, and experts to assess our economic conditions every five years. We adapt the organization to the current economic challenges and opportunities. We set new priorities that public and private sector leaders invest in together over the next five years. Finally, we execute the plan. In 2021, we officially completed our 2016 strategic plan.

Among the strategic initiatives during those five years was a commissioned report on key

industries that would best fit Missoula's strengths and foster an economy better insulated from economic shocks. Opposite, we provide data that reflects our community's success over the past five years.

Other successful strategic initiatives conducted during the past five years are the airline revenue guarantee that brought American Airlines to the Missoula market, our Opportunity Zone initiative that led to a private redevelopment of City owned land at Scott Street, and our COVID-19 economic relief and recovery coordination.

Three of the main goals of the 2016 strategic plan were to create 3,000 new jobs, advance key strategic initiatives, and procure \$300 Million in new capital investment in Missoula County. MEP succeeded in accomplishing all three goals in service to the community.

FIVE YEAR GOALS ESTABLISHED IN 2016



GOAL: 3,000 NEW JOBS IN MISSOULA COUNTY

OUTCOME: 3,213 jobs were created from 2016-2021; of those, 552 were supported by \$3.82M in Big Sky Trust Fund job creation grants awarded to area businesses.



GOAL: ADVANCE KEY STRATEGIC INITIATIVES

OUTCOME: Missoula's Opportunity Zone created new investment and redevelopment; an Airline Service Revenue Guarantee secured a new direct flight to Dallas, TX; and \$460,832 in Big Sky Trust Fund planning grants were awarded to area businesses.

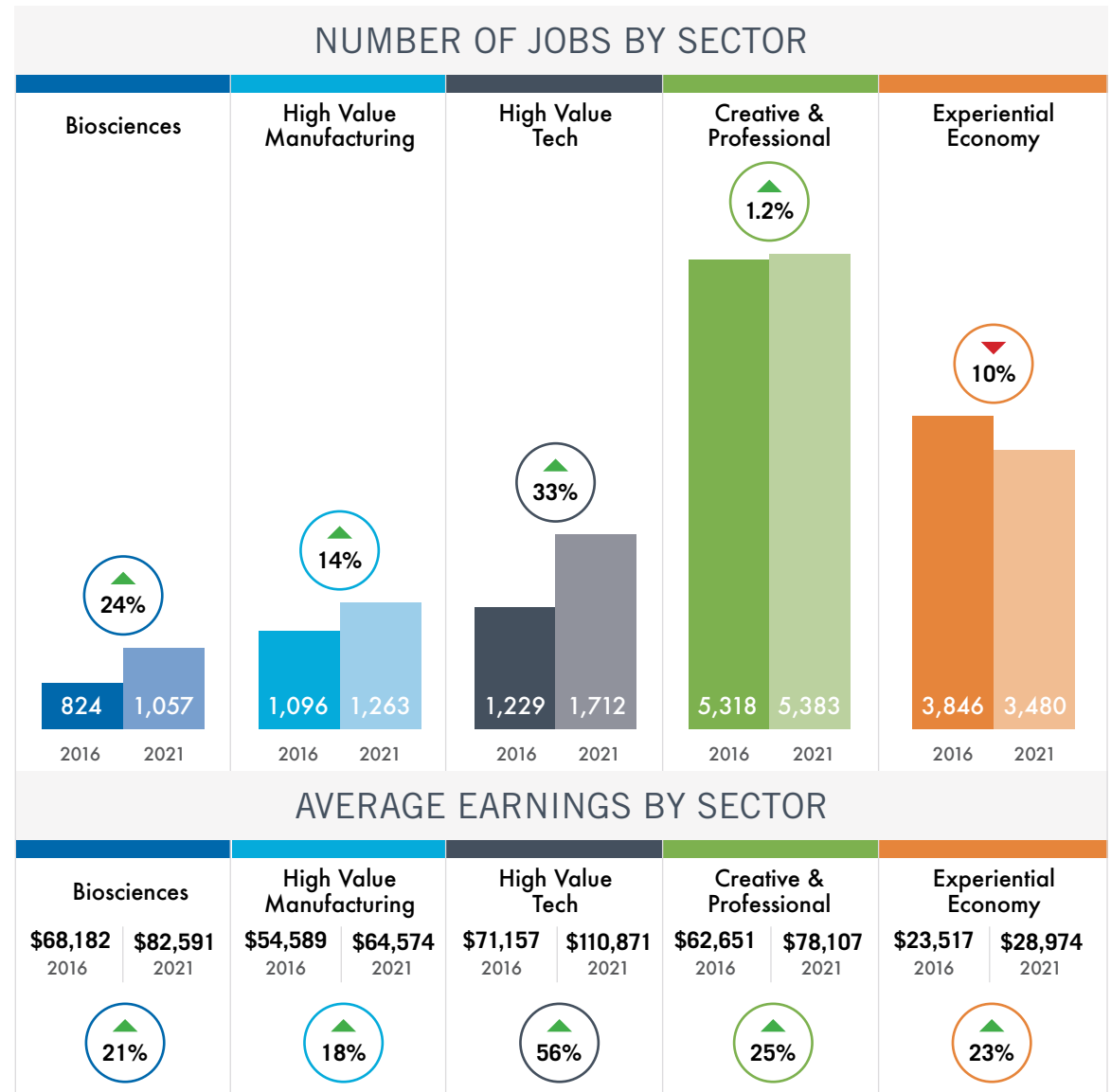


GOAL: \$300M IN NEW CAPITAL INVESTMENT IN MISSOULA COUNTY

Outcome: \$1.3 Billion in capital investment.

Missoula by the Numbers

OVERALL NUMBER OF JOBS		
67,611 2016	70,824 2021	+3,213 5%
OVERALL AVERAGE EARNINGS		
\$46,305 2016	\$58,105 2021	+\$11,800 20%



MEASURING STRATEGIC ACCOMPLISHMENTS

New Plans to Match New Challenges and Opportunities

In 2021, MEP completed a 9-month process to develop a Comprehensive Economic Development Strategy (CEDS). A CEDS is a rigorous regional economic development plan that is formally certified by the U.S. Economic Development Administration (EDA). When developed well, with expert guidance and strong community input from broad stakeholders, a CEDS helps focus a community on achievable goals and more efficient collaboration among partners in economic development. A CEDS also expands access to federal funds dispersed by the EDA. Missoula County had not had a CEDS since 2014, when the regional economic development district that included Missoula County was dissolved.

The CEDS provides clear goals and strategies for how to support local business growth, how to ensure we maintain an available and skilled workforce, and how to ensure we develop the community in ways that build on our strengths and address our challenges. A copy of the document is available on our website, www.missoulapartnership.com.

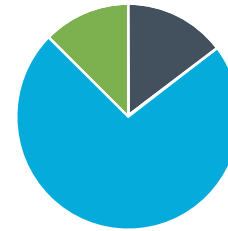


MEP's New Strategic Plan

MEP's new strategic plan identifies CEDS goals and strategies that our organization will lead and be accountable for over the next five years. A highly educated workforce, entrepreneurial spirit, and exceptional quality of life remain our strengths, but the sudden and extreme shift in our housing market during COVID-19 left businesses struggling to retain and attract needed employees. An overwhelming message we heard from business owners and from job seekers throughout our planning process was the need to play a part in addressing housing and workforce shortages. While these were topics of special initiatives in the past strategic plan, such efforts need to be elevated and expanded to core program work as MEP moves forward. Our new plan reflects these and other trends that emerged prior to, but were exacerbated by, the pandemic. A full version of our new strategic plan can be accessed on our website, www.missoulapartnership.com.

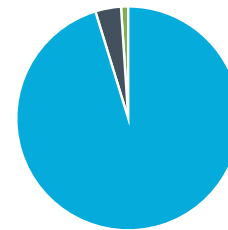
MEASURING STRATEGIC ACCOMPLISHMENTS

STATEMENT OF FINANCIAL POSITION



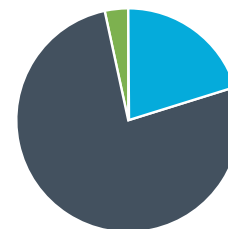
TOTAL LIABILITIES & NET ASSETS \$522,755

- With Donor Restrictions: \$380,511
- Without Donor Restrictions: \$76,337
- Total Liabilities: \$65,927



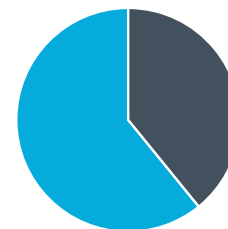
TOTAL ASSETS \$522,776

- Current assets: \$497,955
- Property and Equipment: \$19,720
- Other Assets: \$5,100



CURRENT ASSETS \$497,955

- Cash in Bank: \$100,581
- Pledges Receivable: \$380,510
- Other Receivables & Prepaid Expenses: \$16,863



CURRENT LIABILITIES \$65,927

- Accounts payable: \$25,797
- Accrued payroll & related liabilities: \$40,129





GRANT KIER

CEO, Missoula Economic Partnership

Letter from the President & CEO

Navigating Transitions in Leadership

That Missoula is among the world's finest small communities is no accident. It's also no longer a secret. Now our challenge is to harness dynamic economic forces to keep it that way. For MEP, this demands that we are more informed and agile than ever. For business and civic leaders, this challenge demands that you are more engaged than ever outside your business.

Perhaps due to our timber heritage, generations of Missoula's business leaders could always see the forest for the trees. They believed that their business did better when our community did better. Even our fiercest business competitors collaborated in civic enterprise, whether it came at a material cost to the bottom line or an angry

call from national HQ. But without question, Missoula's success today is in large part due to generations of business leaders who believed in building a company and a community.

Leadership engagement through MEP provides another benefit. It helps us identify and respond to trends impacting individual businesses or our whole economy, creating an unmistakable competitive advantage for Missoula businesses.

As baby boomers retire at faster rates than ever, we are on the leading edge of an unprecedented, but anticipated, workforce shift. With this shift will come transitions in leadership at all levels of your business and our community. Right now, it's

important that the real secret about our community gets out—that intentional hard work, engagement, and collaboration made Missoula the place it is today.

In our new plan, MEP will expand programs to support businesses, but we will also transform our communications and engagement programs to foster this legacy and key competitive advantage. Please consider your role in fostering the next generation of engaged business leaders who will continue to make Missoula the best small city on Earth.



In Memoriam

The bursting housing bubble in 2008 shocked Missoula County's economy as it did the nation's. Smurfit Stone shut permanently in Frenchtown, leaving hundreds without jobs. Macy's in downtown Missoula and many other locally-owned businesses across the community closed their doors. Their absences left behind vacant buildings and hundreds of people without work or income. Missoula Mayor John Engen knew that for many, their ability to stay housed, fed, and in their community would depend on the thoughtful development of an all-hands-on-deck strategy. Mayor Engen also knew our community's business leaders and their commitment to and tradition of collaborating to the benefit of all.

Mayor Engen launched The Best Place Project, an endeavor equally committed to collaboration, a lofty ideal, and an honest reflection the state of our community. The project resulted in a commissioned study and recommendation to

form the public-private partnership that became the Missoula Economic Partnership. Through a shared vision, the partnership would help create a resilient economy that would benefit all and reduce the strain of unavoidable future economic crises.

When Mayor Engen died in August, MEP's team lost a visionary founder, colleague, and friend. We also lost a reliable source of wit and humor in our board meetings. We are grateful for his role in pulling many of us together and we are resolved to honor his vision and legacy as we carry on this important work for our community.

"John inspired us all with his conviction that Missoula was already the best city in the world and his commitment to making it even better."

- Grant Kier, CEO, Missoula Economic Partnership



MAYOR JOHN ENGEN

October 27, 1964 - August 15, 2022

Thank You to Our Investors

We appreciate all who invested in the successful implementation of our 2016 Strategic Plan, which we completed this year.

A&E Design	CM Manufacturing, Inc.	HDR Engineering, Inc.	NewFields	The University of Montana
ABC FOX Montana, Cowles Montana Media Co.	Community Medical Center	Hi-Noon Petroleum	Northern Rockies Regional Center	TrailWest Bank
Aegis Engineering, Inc	Consumer Direct Care Network Montana	Hoffmann Morgan & Associates	NorthWestern Energy	U.S. Bank
Allegiance Benefit Plan Management, Inc.	Crowley Fleck, PLLP	Homeword	Office Solutions & Services	United Locating Services
AlphaGraphics Missoula	CTA Architects Engineers	IMEG, Corp.	Old Sawmill District	Western Montana Clinic
ALPS Corporation	Cushing Terrell	Jackson Contractor Group, Inc.	onXmaps	WGM Group
Anderson Zurmuehlen & Co., P.C.	Dale Woolhiser	JCCS, P.C.	Opportunity Bank of Montana	Windfall, Inc.
Annelise Hedahl, ERA Lambros Real Estate	Datsopoulos, MacDonald & Lind, P.C.	Jedediah At The Airport	OZ Architects	Worden's Market & Deli
Associated Employers	DCI Engineers	John Earll, B2B CFO	Paradigm V3 Architecture, PLLC	Zip Beverage
Bank of Montana	Dick Anderson Construction	Julie Gardner & Peter Lambros, ERA Lambros Real Estate	Park Side Credit Union	<u>In-Kind Investors</u>
Berkshire Hathaway HomeServices Montana Properties	Diversified Plastics, Inc.	LC Staffing	Parsons Behle & Latimer	Artichoke Consulting
Big Dipper	Dorsey & Whitney LLP	LumenAd	PartnersCreative	Bravo Catering
Big Sky Commerce	Eclipse Engineering, P.C.	Management Vision, P.C.	PayneWest Insurance	Dollar Car Rental
Bike and Type	Edgell Building, Inc.	Market on Front	Pew Corporation	Doubletree
Bjornson Jones Mungas, PLLP	Edward Jones Office of Matthew Noreus	Michael Best & Friedrich, LLP	Project Spokane, LLC	Six Pony Hitch
Blackfoot Communications	Farmers State Bank	Missoula Concrete Construction	Providence St. Patrick Hospital	The Montana Distillery
Bonner Property Development	Farran Realty Partners, LLC	Missoula County	Rattlesnake Creek Distillers	Holiday Inn Downtown
Brian Salonen	Fence Line Consulting, LLC	Missoula Electric Cooperative, Inc.	Republic Services of Montana	Missoula Country Club
Browning, Kaleczyc, Berry, & Hoven, P.C.	First Interstate Bank	Missoula Independent	S.G. Long Financial	The Public House
Capital Family Mortgage	First Security Bank	Missoula Organization of Realtors	Shannon Hilliard, Realtor	Wingate by Wyndham
Caras Nursery & Landscape	Five on Black	Missoulain	Sirius Construction, Inc.	
Cederberg Law Offices, P.C.	Five Valleys Land Trust	MMW Architects	Southgate Mall Associates, LLP	
Charter Communications	Forest Business Network	Monida Healthcare Network	SterlingCRE Advisors	
Christian, Samson, & Jones	Francis Gjeffe	Montana High Tech Business Alliance	Stockman Bank	
City of Missoula	Garlington, Lohn & Robinson, PLLP	Morrison-Maierle	Strategic Gaming Management, LLC	
Clearwater Credit Union	Global Development Services, Inc.	Mountainwood Estates	Summit Beverage	
	Grizzly Sports Properties	Muralt's Travel Plaza	Taco Del Sol	
	Grizzly Wine and Spirits, LLC	NAI Crowley Moore	Take Control, Inc	
	HC Company Missoula, Inc.	Neptune Aviation Services	The Gillespie Foundation	
			The Resort at Paws Up	

