

DIRECTV Customer Service and Tech Support Center Project Progress Report

Prepared by:



Economic Outlook Seminar

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Missoula, Montana

• Objective

- Assess status of project and based on lessons learned, identify key goals for the future



• Outcome

- Encourage support for the State's job training program and justify an increase in funding—now pending in the Legislature

9/17/2013

Project Overview

- Facility constructed in 7 months
- County purchased facility in December 2006
- 790 direct jobs as of 12-31-06. Total payroll generated by operation in '08 of \$50,582,000
- Total project cost: \$23,355,000
- State support:
 - \$860,000 to Missoula County for acquisition
 - \$1,955,000 to DIRECTV for job training

Project Overview (cont.)

- County support:
 - Created Technology Tax Increment District
 - Land: \$1,350,000 (lease for 10 years at no cost)
 - Job Creation Credits: \$2,000,000 (available at end of initial 10-year lease period and funded by tax increment created by Technology District)
 - Tax Increment Bonds: \$900,000 (serviced by payments in lieu of taxes made by DIRECTV)
- Federal support:
 - \$1,250,000 from EDA for Technology District infrastructure

Summary of Capital Funding

Total Project Cost: \$23,355,000

Source	Type:	Grants	Loans	Bonds	Equity
MT DOC:					
	WTG	\$1,955,000	(reimbursement for job training; \$13.99/hr min.)		
	BSEDTF/CDBG	\$860,000	(grants to Missoula County for acquisition)		
U.S. EDA		\$1,250,000	(Matched by land value in rest of Tech District)		
MT B.O.I.			\$10,040,000	(loan to County, repaid by lease)	
County:	TIF		(funded after	\$900,000	
	Job Credits	\$2,000,000	10 yrs.)		
	Land	\$1,350,000	(lease)		
DIRECTV		(company also provided construction financing)			\$5,000,000
Percent of Total		32%	43%	4%	21%

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Cost/Benefit Analysis to Montana

Source: Census & Economic Information Center

Phase	Employees	Compensation	Income Taxes
Construction	323	\$8,321,010	\$330,344
Operation	950+522	\$50,581,935	\$2,209,730
Total	1,795	\$58,902,945	\$2,540,074

	Year 1	Year 2	Year 3	Year 4
Assistance	\$2,865,000	(total State assistance provided)		
Tax Revenue Generated:				
Personal		\$330,344	\$2,209,730	\$2,209,730
Corporate			\$286,335	\$286,335
Total	\$2,865,000	\$330,344	\$2,496,068	\$2,496,068

Conclusion: State's Investment will be recovered in a little over two years

Next Steps

- Funding for Job Training Contingent on Legislative Approval
- State Workforce Training Program funded at \$2.6 million in 06-07. HB2 request from governor is \$8 million for 08-09
- DIRECTV offered contractual agreements by other states, but accepted a “promise” from Montana (“MOU”)

Lessons

- Team effort was successful, but local and state resources stretched thin
- Incentive package was important, but so was availability of workforce, “shovel ready” ground, evidence of commitment, and crime rate
- Approximately 60% of persons hired were employed previously (4% turnover rate to date)



MISSOULA COUNTY
200 W. Broadway, Missoula, MT 59802



Contact

- Dick King, President/CEO
 - dking@maedc.org
- Eric Hanson, Vice-President
 - ehanson@maedc.org
- Jessica Allred, Economic Development Specialist
 - jallred@maedc.org