Healthy Economic Development: For the Future of Southwest Montana
What is a healthy economy?

- **Growing**
  - Maintains local asset values
  - Planned, moderate, predictable
- **Diversified**
  - Not dependent on single industry
- **Increasing wages**
  - Full employment, higher paying industries
- **Consistent with public and private goals**
  - Locally focused, broadly supported
What is Economic Development?
Development of Human Capital

Photo courtesy of Sunrift Studios
Critical Infrastructure

Photo: City of Livingston
Competitive and Sustainable
Cost of Living Index

Bozeman Cost of Living Annual Average Composite Scores

<table>
<thead>
<tr>
<th>Year</th>
<th>Composite Score</th>
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<tbody>
<tr>
<td>2011</td>
<td>101.7</td>
</tr>
<tr>
<td>2012</td>
<td>102.9</td>
</tr>
<tr>
<td>2013</td>
<td>100.9</td>
</tr>
<tr>
<td>2014</td>
<td>100.8</td>
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</table>
City of Bozeman Building Permit Activity

[Bar chart showing the number of building permits issued from 2005 to 2013 for different types of properties: Single, Townhouse, Duplex, Triplex, Fourplex, Multi, Manufactured.]
Poverty in Montana: 2013
County Poverty Rates

90-1-201 (2)(d). MCA. "High-poverty county" means a county in this state in which 14% or more of people of all ages are in poverty as determined by the U.S. Census Bureau estimates for the most current year available.

Montana’s Average Poverty Rate 16.1%
US Average Poverty Rate 15.8%

## Micropolitan Economic Strength Rankings

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</tr>
</thead>
<tbody>
<tr>
<td>Bozeman</td>
<td>8</td>
<td>8</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>9</td>
<td>19</td>
<td>10</td>
</tr>
<tr>
<td>Butte-Silver Bow</td>
<td>123</td>
<td>67</td>
<td>51</td>
<td>27</td>
<td>17</td>
<td>25</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>Helena</td>
<td>23</td>
<td>13</td>
<td>9</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Kalispell</td>
<td>63</td>
<td>51</td>
<td>26</td>
<td>35</td>
<td>45</td>
<td>87</td>
<td>142</td>
<td>149</td>
</tr>
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*Havre, included in prior year reports, is no longer considered a Micropolitan area.

Looking Forward!

Image courtesy of CTA Architects
Downtown Bozeman Business Profile

A compilation of economic and business demographic data for Bozeman Montana’s downtown commercial district.

- 115 business owners answered 16 questions providing a wide range of data regarding:
  - Businesses (type, longevity, lease vs own space)
  - Employees (FTE, PTE, wages)
  - Revenues (current, projected, impact of recession)

- Report also includes information about downtown organizations, new developments, and planning efforts.
Over 50% of downtown businesses have been in business over 10 years.

Nearly 75% of downtown businesses have recovered from the 2008 recession.

2,500 to 3,000 employees work downtown.

Over 80% of downtown businesses anticipate annual gross revenues to increase this year.

Next Steps….

New ~ Downtown Economic Profile

- Business retention, expansion and attraction
- Regional social, cultural and economic center

Downtown Bozeman Business Profile

Downtown Map
Montana’s Emerging Photonics Industry

<table>
<thead>
<tr>
<th>Train and Educate Tomorrow’s Workforce Today</th>
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<tbody>
<tr>
<td>Align educational system with the needs of a changing economy</td>
</tr>
<tr>
<td>Engage private-public partnerships to provide job-training, apprenticeship, and professional development opportunities</td>
</tr>
<tr>
<td>Provide a lifetime continuum of quality education from preschool through adulthood</td>
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<table>
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<tr>
<th>Create a Climate that Attracts, Retains, and Grows Businesses</th>
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<tr>
<td>Foster a business-friendly climate through effective and efficient government</td>
</tr>
<tr>
<td>Increase access to capital and resources for Montana businesses</td>
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<tr>
<td>Coordinate economic development efforts throughout the state</td>
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<th>Market Montana</th>
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<tr>
<td>Strengthen and promote the Montana brand to attract businesses, workers, and tourists</td>
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<th>Nurture Emerging Industries and Encourage Innovation</th>
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<td>Strengthen role of universities as technology incubators through research, development and commercialization</td>
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<tr>
<td>Foster innovation and encourage knowledge-based industries to locate and grow in Montana</td>
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<tr>
<td>Support entrepreneurs and small businesses to enhance their potential to achieve growth and stability</td>
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Nurture Emerging Industries and Encourage Innovation

- Strengthen role of universities as technology incubators through research, development and commercialization
- Foster innovation and encourage knowledge-based industries to locate and grow in Montana
- Support entrepreneurs and small businesses to enhance their potential to achieve growth and stability
The Montana Photonics Industry Alliance is a network of Montana optics and photonics companies, entrepreneurs, laboratories and universities.

- 25 companies
- 460 employees
- Growing at 9% in 2014

**Long-Term Objective**

Foster the growth of Montana optics and photonics companies, universities, and other organizations to achieve at least 1,000 photonics-related jobs by the end of 2024.
Revibro Optics ~ A new start up company in Bozeman

Mirrors are currently fabricated at the Montana Microfabrication Facility at MSU using high-volume processes developed for integrated circuits.
Montana State University – Hutcheson Emerging Fellows Award

Fellowship funded by local photonics industry leader ~ Ralph Hutcheson

- Designed to boost the entrepreneurship of MSU graduates for the rapidly growing laser optics industry in Montana

David Walsh
Professional Masters of Science and Engineering Management
Montana’s growing photonics and optics industry will be represented at

SPIE-Photonics West 2015
Moscone Center, San Francisco
February 10-12th, 2015
Hall D North, Booth 5321
Bozeman Fiber Network Study

Project Sponsors:

- Bozeman Deaconess Health Services
- Bozeman Area Chamber of Commerce
- Northwestern Energy
- Bozeman Public Schools
- City of Bozeman
  - Economic Development, Downtown TIF District, North 7th Avenue TIF District
- Montana Department of Commerce, Big Sky Trust Fund
  - Prospera Business Network
- U.S. Economic Development Administration
  - Northern Rocky Mountain Economic Development District
Goals of a Fiber Initiative

- Give Bozeman a world class broadband infrastructure that enables local businesses to compete in the global economy
- Businesses will have the right infrastructure to grow and to create jobs
- Bozeman has the right infrastructure to attract new businesses
- Reduce costs of broadband for the City, for businesses, for schools, health care
- Create a public/private partnership
  - City should not compete with the private sector
Broadband is the road, not one of the trucks

- A community with a modern digital road system that will deliver many kinds of services, not just Internet

Recommendations

- Expand City conduit/handhole infrastructure
- Lease extra capacity to private providers
- City provides only basic infrastructure, City builds and maintains road, but does not own the businesses that use those roads.
- Encourage development of a locally owned fiber initiative firmly vested in the community

Design Nine, Inc. -- Andrew Cohill, Ph.D.
Central Business District ~ Comprehensive Engineering Report

• Twelve block infrastructure and streetscape improvement project.

• Taking multiple engineering reports ~ consolidate into one unified conforming document.
Hidden problems…….

- Underground Vaults
- Abandoned and un-mapped Utility Lines
- Weak Building Foundations
- Drainage Issues
- Street & Foundation elevation differences

- Keystone engineering challenge on Callender Street ~ caught early will now save taxpayers thousands of dollars over next two years.
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prosperabusinessnetwork.org