

Montana's on the Move



# Governor's Office of Economic Development

Economic Affairs  
Interim Committee

July 8, 2009

## Governor Schweitzer's

Economic  
Development  
"Vision"  
for  
Montana





# Schweitzer

## Economic Development Vision

- Diversify the economy
- More Jobs
- Better quality jobs – wages & benefits, including health insurance
- Jobs geographically dispersed – inside & outside “the boot” including in Indian Country

## Governor Schweitzer's Economic Development Vision

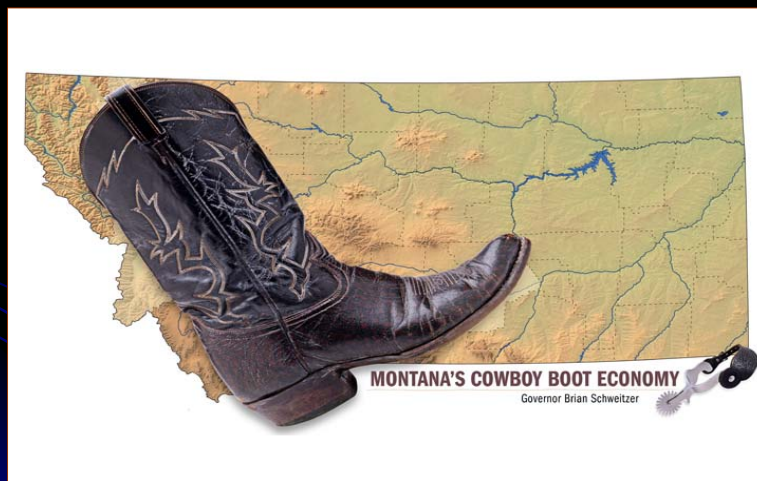
Strengthen & diversify  
state's economy

## Governor Schweitzer's Economic Development Vision

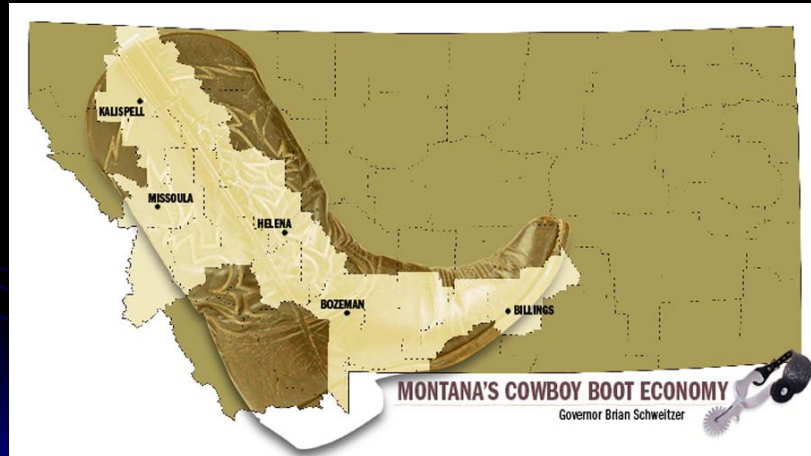
### Strengthen & diversify state's economy

- Resource sector
- Energy Sector
- Manufacturing sector
- Technology sector
- Research & Development
- High-end Service sector
- Tourism sector

## Montana's "Boot Economy"



# Counties Inside & Outside "The Boot"



## Montana's on the *Move*

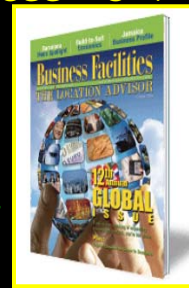
The numbers tell  
the tale!

# Montana's on the *Move*

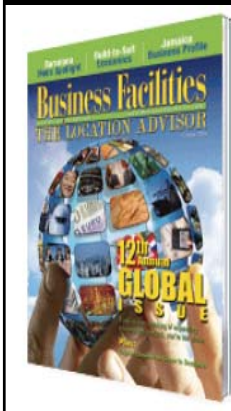
## The numbers tell the tale!

### *Business Facilities 2008 State Rankings*

- Overall business climate – 7<sup>th</sup>.
- Best overall tax climate for business – 6<sup>th</sup>.
- Best sales tax climate for business – 3<sup>rd</sup>.
- Quality of life – 8<sup>th</sup>.
- Manufacturing momentum – 9<sup>th</sup>.
- Most educated workforce – 11<sup>th</sup>.
- Best education climate – 19<sup>th</sup>.



# Montana's on the *Move*



In January 2009, Montana was awarded the runner-up position (#2) in *Business Facilities Magazine's* State of the Year competition for our significant growth in the energy industry.

# Montana's on the *Move*

The numbers tell the tale!

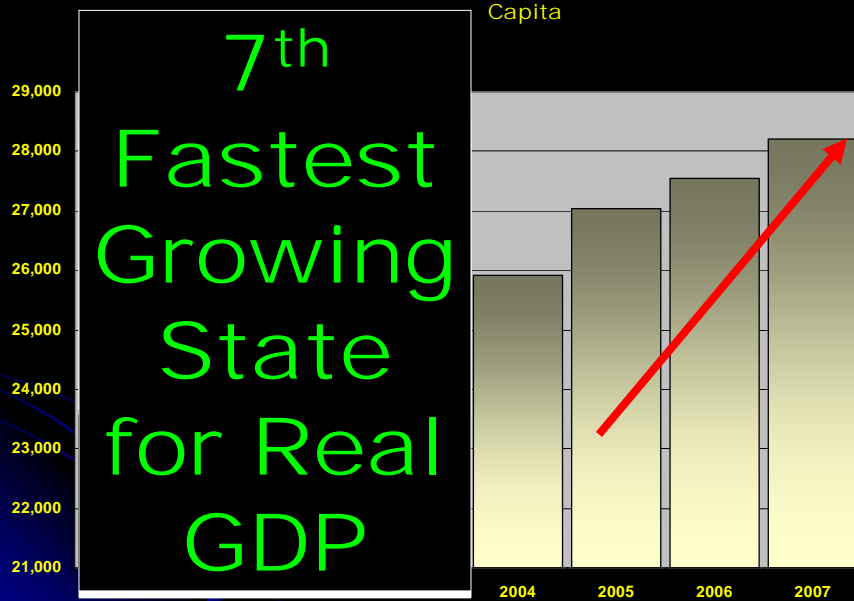
*Forbes*  
magazine rates  
Montana as the  
*fastest climber* as  
Most Business  
Friendly State  
in the nation!

42nd

24th



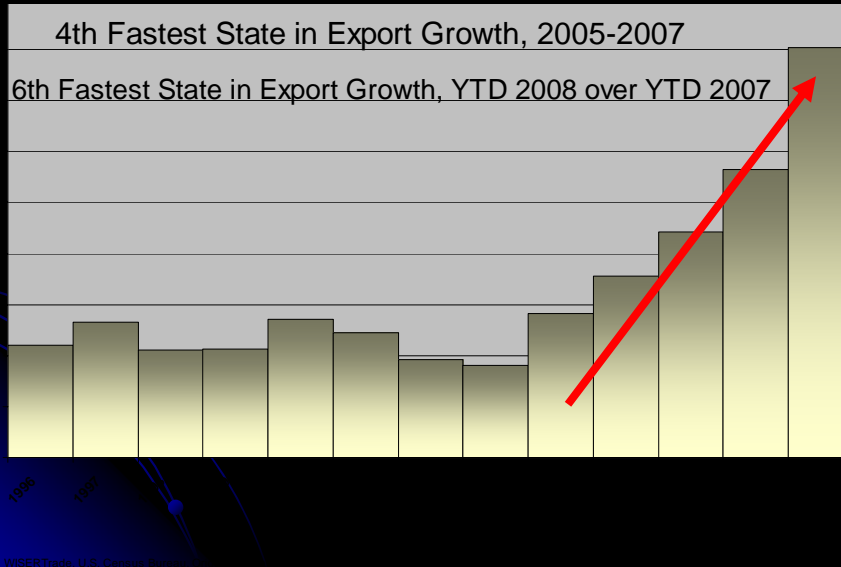
Montana's Real State Gross Domestic Product (GDP) per Capita



Source: Bureau of Economic Analysis, U.S. Department of Commerce

# Montana's on the *Move*

## The numbers tell the tale!



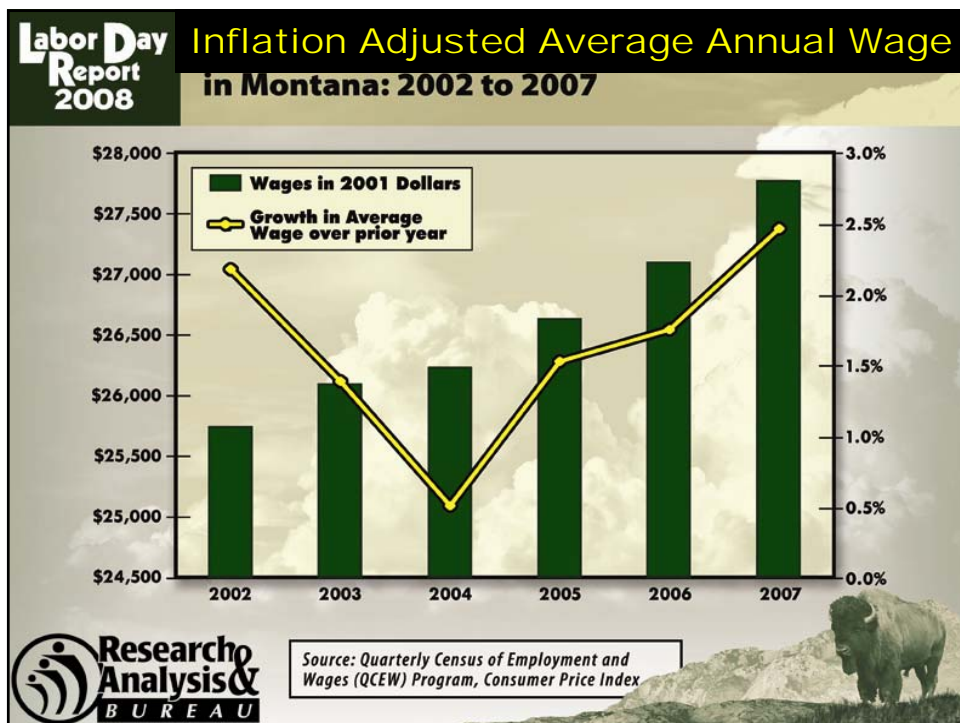
## Montana's on the *Move*

- 7<sup>th</sup> fastest growing economy in U.S. last 3 yrs
- 7<sup>th</sup> lowest Unemployment rate in the Nation
- May MT unemployment rate (6.3%)  
3.1% below national average
- 11<sup>th</sup> lowest combined state and local tax burden
- One of only 4 states operating "in the black" ...  
ability to increase state spending without tax hikes

# Montana's on the *Move*

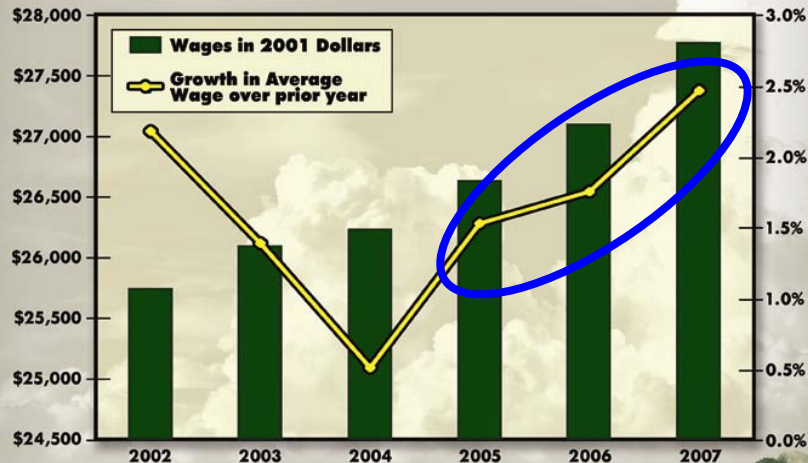
The economy has  
been good, but what  
about ...

## The Job Quality Situation





## Inflation Adjusted Average Annual Wage in Montana: 2002 to 2007



Job Quality Improving



Analysis &  
BUREAU

Wages (QCEW) Program, Consumer Price Index

## Montana's on the *Move* The numbers tell the tale!

*Where were the jobs created  
between 1-1-05 to 10-25-08 ??*

- 📍 Gallatin County – 10,350 jobs.
- 📍 Flathead County – 8,550 jobs.
- 📍 Yellowstone County – 6,075 jobs.
- 📍 Lewis & Clark County – 5,000 jobs.
- 📍 Rest of "Top Ten" : Missoula, Cascade, Park, Ravalli, Glacier, & Madison

# Montana's on the *Move*

## The numbers tell the tale!

*What kind of jobs were created  
between 1-1-05 to 10-25-08 ??*

- Construction - 58.5% up - 12,700 jobs.
- Professional & Business Services - 31.8% up - 10,200 jobs.
- Leisure & Hospitality - 31.9% up - 16,100 jobs.
- Only industry with negative growth is "government"

# Montana has Been on the *Move* Economically

Montana has been better off than almost all states economically

Montana is better off than most states financially

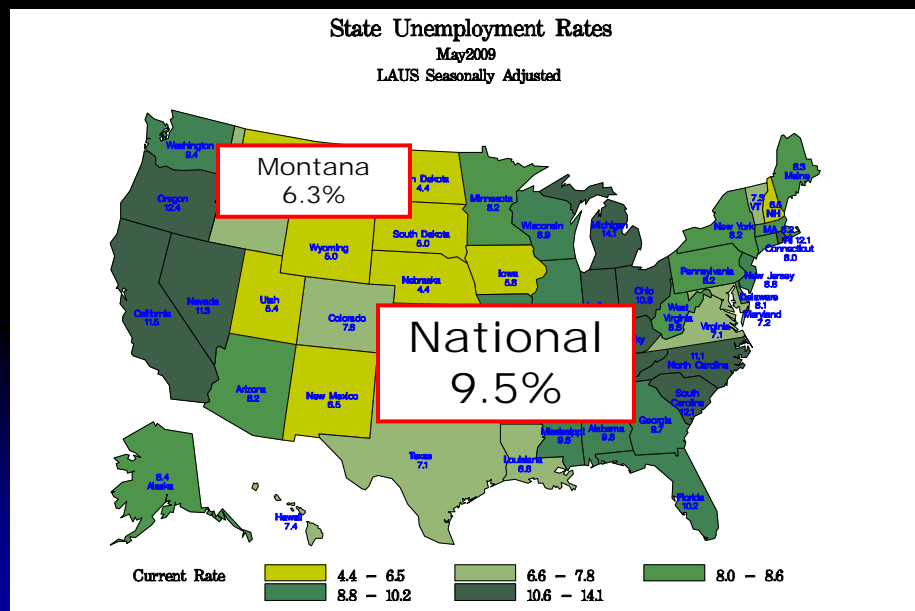
But like the rest of the country, Montana's economy is sliding some

# Montana's on the *Move*

The economy has  
been very good, but  
what about ...

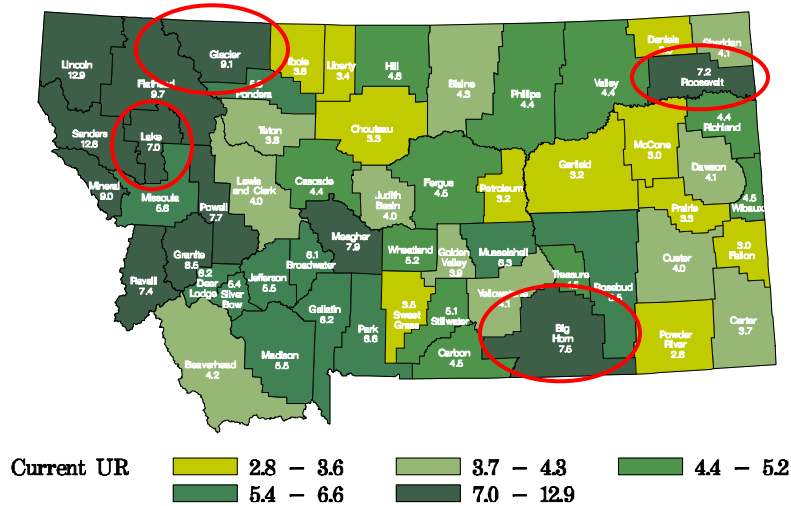
## The Unemployment Situation

Montana currently has the 7th lowest unemployment rate in the nation. The following chart shows the unemployment rate by state.





Montana County Unemployment Rate



## Why Montana has been Strong Economically

- Strong resource, commodity & energy economy
- Growth in technology & knowledge economy
- Growth in tourism
- Attractiveness as a place to live and do business

# Governor's Office of Economic Development

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Evan Barrett - Chief Business Officer

## Economic Development Specialists

Chris Ageson

Pat Wise

Lesa Evers

Shannon Hughes

Eric Stern

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Jackie Williams - Office Manager

# Governor's Office of Economic Development

## Focus

(Section 2-15-218)

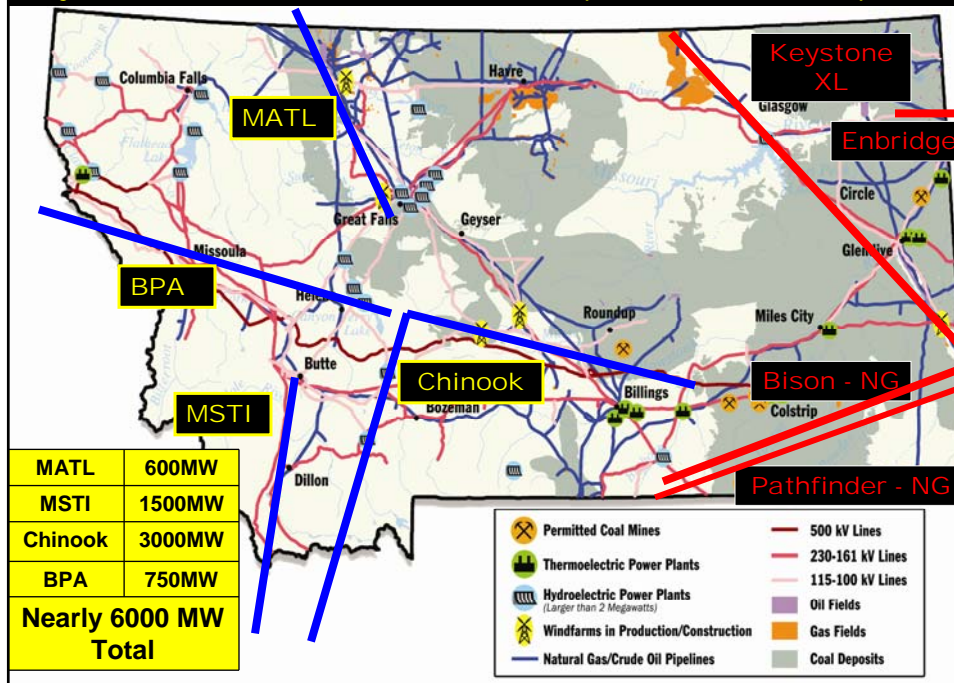
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- Workforce Development
- Technology Development
- Marketing and Recruitment  
(retention and marketing)
- Infrastructure Improvement
- Permitting and Regulatory Processes

# Energy Development

- Governor's Bio-energy Conference
  - *Wind*
  - *Oil & Gas*
  - *Biofuels*
  - *Geothermal*
  - *Clean Coal*
- *Transmission Lines & Pipelines*

## Major New Transmission Lines & Pipelines in Development



# Governor's Office of Economic Development Focus

(Section 2-15-218)

- Strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability;
- Cooperate with business enterprises, local governments, other public organizations, and the federal government and use all practical means and measures, including financial and technical assistance, to:
  - establish an economic climate in which the state's natural resources and agricultural operations remain constant contributors to the state's economic welfare;
  - articulate a coherent economic development vision for the future; and
  - take a proactive role to ensure that Montana has the flexibility and resources to be an effective competitor in the changing global marketplace.

# Governor's Office of Economic Development Focus

(Section 2-15-219)

Empowers the Chief Business Development Officer to:

- (1) advise the governor on policy issues related to economic development;
- (2) lead the state's business recruitment, retention, and expansion efforts;
- (3) coordinate the development and distribution of a statewide coordinated strategic economic development plan;
- (4) coordinate the individual functions and programs within the office; and
- (5) serve as the state's primary liaison between federal, state, and local agencies, Montana tribal governments, private, nonprofit economic development organizations, and the private sector.



## Governor's Office of Economic Development Essential Support Activities

- Economic Policy Development
- Coordination and Cooperation
- Economic Development Finance & Tools
- Information Tools
- Sector Development Activity

## Cluster/Sector Support - 1

- Montana BioScience Alliance
  - Arts and Artisans cluster
- Montana Information Technology Association
- Virtual Manufacturing Technology Group
- Environmental Engineering Consortium
- Montana Aerospace Development Association

## Cluster/Sector Support - 2

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- Montana Wood Products Association
  - Mon-Dak Energy Alliance
- Montana Indian Business Alliance
  - Montana Angel Capital Network
- International Trade

## Workforce Development - 1

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- Work with the Department of Commerce and local development organizations, and private companies to utilize workforce training funds
- State Workforce Investment Board
- Workforce Investment for Regional Economic Development (WIRED)
- Workforce Coordination with K through 12
- Montana Healthcare Workforce Efforts

## Workforce Development - 2

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- Regional Innovation Grant (RIG)
- Incumbent Worker Training
- Making Opportunity Affordable
- COT Wind Technology Training

## Technology Development

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- Bioscience
- Advanced Energy Development
- Information Technology
- Aerospace Development
- High Tech Manufacturing
- Fiber Optic Backbone
- Supercomputer
- Health Information Technology
- *Montana Means Business* Economic Development Web Portal
- Recruitment of Advanced Technology Companies

## Marketing and Recruitment (retention and marketing)

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- Trade Show Activity
- Website Activity
- Trade Mission Activity
- Montana Ambassadors Activity
- Targeted Advertising
- Printed Marketing Material

## Infrastructure Improvement

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- ARRA – WPIRS, roads, schools, water
- Energy Infrastructure Analysis
- Transmission Lines
- Liquid Product Pipelines
- Fiber Optic Backbone
- Supercomputer
- Railroads & Competition
- TIFID Infrastructure Development
- Large Project Community Impact Legislation
- Incentives for Clean Energy Infrastructure Development

## Permitting and Regulatory Processes

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- Private Company Facilitation with processes
  - Permitting Efficiency in Operations
- Permitting Efficiency through statutory changes
- Coordination with Federal Efforts

## Coordination and Cooperation

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- Agency Coordination & Cooperation
- Tribal Coordination & Cooperation
  - Local & Regional Development Organization Coordination & Cooperation
- *Montana Means Business* Web Portal
- Business Expansion and Retention Program (BEAR)
- Councils and Boards

## Economic Development Finance and Tools

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- Equity Investment
  - Union Pension
- Venture Capital
  - Angel Capital
- Debt Finance
- Timber RLF

## Information Tools

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- State's economic development web sites
- Printing and publication of a wide range of general marketing material and energy development marketing material
- Sponsoring and participating in numerous conferences
  - WGA Biomass Conference
  - Governor's Institute Timber Conference
  - Governor's Summit on Workforce Development
  - Harvesting Clean Energy Conference
  - Canadian/Montana Oil and Gas Summit
  - Ideas Montana Medicine Symposium
  - Energy Open
  - MONDAK
  - University of Montana Business Plan competition
  - Montana Ambassadors
  - MEDA
  - and many more
  - 87 site visitations with all local and regional economic development entities
  - Over 100 presentations

## Hard Rock Mining

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- Montanore Mine
- Revette Minerals
- Montana Tunnels
- Montana Resources
  - Golden Sunlight
  - Stillwater Mine
  - Elkhorn Mine

## Rail Service Competition Council

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- Rail service competition that results in reliable and adequate service at reasonable rates is very important to Governor Schweitzer and the Governor's Office of Economic Development

# Economic Development Advisory Council

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- Representation from 12 economic regions
- Chief Business Development Officer chairs committee
- Supervise CRDCs and Microbusiness Development Corps
- Advises administration on economic policy

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