



Interim Committee on Economic Affairs
Helena
June 24, 2005



Schweitzer/Bohlinger "New Day"

Economic Development Roadmap

Presentation

- Economic Development Targets
- Legislative Accomplishments
- Gov Office Econ Op (GOEO) Staffing
- GOEO Approach, & Focus
- Projects



Schweitzer/Bohlinger "New Day" Economic Development Roadmap

ECONOMIC DEVELOPMENT TARGETS

- Appropriate Natural Resource Development
- Energy Development
- Agricultural Value-adding
- Technology Development
- Manufacturing Development
- Health Care Services & Other Human Service Development



Schweitzer/Bohlinger "New Day" Economic Development Roadmap

Legislative Economic Development Accomplishments

- ◆ Economic Development Capital
- ◆ Marketing & Recruitment
- ◆ Targeted Industry Incentives
- ◆ Indian Economic Development
- ◆ Workforce Training Incentives
- ◆ Business Assistance
- ◆ Infrastructure Incentives
- ◆ Economic Development Capacity Building
- ◆ Small Business Incentives



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ECONOMIC DEVELOPMENT CAPITAL

1. Big Sky Economic Development Trust Fund – (nearly \$3 million this biennium – to grow for 20 years before being capped -- HB 249)
- 2. Board of Investments Venture Capital Approach (no legislation required)
- 3. Fund of Funds Venture Capital Bill – (SB 133)
- 4. Preserving Urban Renewal and TIFID Revolving Loan Funds – (SB 345)



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ECONOMIC DEVELOPMENT CAPITAL

- 5. Angel Network Coordination - (SJR 3)
- 6. Aerospace Bonding Improvements - (HB 493)
- 7. Rail Branch Line Revolving Loan Fund - (HB 757)
- 8. Technology Tax Increment Districts - (SB 167)



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MARKETING & RECRUITMENT

1. Marketing Montana Program in Governor's Office of Economic Opportunity Appropriation (Share of \$300,000 per year GOEO Appropriation - HB 2)
2. Business Recruitment Program in Governor's Office of Economic Opportunity Appropriation (Share of \$300,000 per year GOEO Appropriation - HB 2)
3. Land Information Act (SB 98, creates information vehicle for recruitment information)



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TARGETED INDUSTRY INCENTIVES

- 1. Ethanol Incentives - (SB 293 -- 15% gas tax reduction for distributors; 20 cents per gallon incentive for up to 10 million gallons for Montana ethanol production using Montana products; mandated market once 40 million gallons are produced in Montana; Board of Investments Value-added loan program adapted for ethanol facilities)
- 2. Wind Energy Incentives - (SB 445 - a market of sorts is created by the requirement that a percentage of energy portfolio must by wind and other alternative energy sources)



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TARGETED INDUSTRY INCENTIVES

- 3. Bio-diesel Incentives – (HB 776 -- sale & production tax credits)
- 4. Aerospace Infrastructure Bonding Improvements – (HB 493)
- 5. Technology Tax Increment Districts – (SB 167 – focuses on technology companies)
- 6. Big Sky on the Big Screen Film Industry Tax Credit – (HB 584 with tax credits -- 12% on Montana labor and 8% on various Montana expenses related to film-making here)



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INDIAN ECONOMIC DEVELOPMENT

- 1. State-Tribal Economic Development Commission, Extend for 4 more years and fund with \$120,000 carryover – HB 18)
- 2. Indian Country Economic Development Program (\$500,000/year to Department of Commerce – HB 2)
- 3. Appointed first "non-acting" Coordinator of Indian Affairs in three years (Position previously left vacant for 3 years) and significantly increase salary to begin to be comparable to other cabinet members
- 4. Hired Indian Economic Development Specialist as part of staff in Governor's Office of Economic Opportunity



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WORKFORCE TRAINING INCENTIVES

- Allocate \$5 million to "Job-Related" New Worker Training – (HB 271, supplemental appropriation & HB 2 appropriations to Department of Commerce)
- Integrate "Job-Related" New Worker Training into Department of Commerce to coordinate with other economic development efforts – (HB 270)



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BUSINESS ASSISTANCE

- Marketing Assistance Program (Part of \$400,000 per year in Made in Montana Appropriation to Department of Commerce – HB 2)
- NxLevel Training Program Expansion (Part of \$400,000 per year in Made in Montana Appropriation to Department of Commerce – HB 2)
- State Main Street Program – (HB 481 & \$125,000 per year appropriations in HB 2 to Department of Commerce)



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INFRASTRUCTURE INCENTIVES

1. Aerospace Infrastructure Bonding Improvements – (HB 493)
2. Technology Tax Increment Districts – (SB 167)
3. Rail Service Competition Council – (HB 769)
4. Rail Branch Line Revolving Loan Fund – (HB 757)



Schweitzer/Bohlinger "New Day" Economic Development Roadmap

ECONOMIC DEVELOPMENT CAPACITY BUILDING

- 1. Big Sky Economic Development Trust Fund – (Nearly \$750,000 this biennium for capacity building – to grow for 20 years before being capped -- HB 249)
- 2. State Main Street Program – (HB 481 & \$125,000 per year appropriations in HB 2 to Department of Commerce)



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SMALL BUSINESS INCENTIVES

1. Increase Threshold Exemption for Business Equipment Tax to \$20,000, exempting 13,000+ small businesses from business equipment taxes (44% of those now paying) - (SB 48, which also eliminates the trigger that would have lead to an \$80 million per year tax shift to homeowners and commercial businesses)
2. State Main Street Program - (HB 481 & \$125,000 per year appropriations in HB 2 to Department of Commerce)



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SMALL BUSINESS INCENTIVES

3. Made in Montana Program - (SB 329 & \$400,000 per year appropriations in HB 2 to Department of Commerce)
4. Tax Credit and Purchasing Pools for Health Care Insurance for Companies with Fewer than 10 employees - (HB 667)



Schweitzer/Bohlinger "New Day" Economic Development Roadmap

GOEO Staffing

- Chief Business Officer
- 3 Senior Economic Development Specialists (including an Indian Economic Development Specialist)
- 2 Economic Development Specialists
- Office Manager



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GOEO Approach

- Work directly with LDOs, CRDCs and Tribes
- Help structure deals making maximum use of state programs and resources
- Market Montana and recruit companies



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GOEO Focus

- Catalytic action in support of private sector development
- Capital development
- Business
 - Recruitment
 - Start-ups
 - Expansions
 - Retentions



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ECONOMIC DEVELOPMENT TARGETS -- Projects

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