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June 3, 2021

**TO: MDOC Director Scott Osterman and ARPA Director Mike Foster**

**Cc: Adam Schafer and Jennifer Pelej**

Montana Economic Developers Association (MEDA) is a vast network of state, regional and local organizations working every year to enhance and strengthen the economy of Montana. Since the pandemic hit, not a single economic development organization closed their doors or took time away from their desks. Some were able to increase capacity, others deployed and depleted their local revolving loan funds (some at the risk of their own organizations), and all economic developers have spent countless hours assisting businesses, organizations, and communities on the ground.

As MEDA members, we are responding to the request to share our viewpoints on what we see are the highest needs and priorities for the State of Montana in utilizing the American Rescue Plan Act (ARPA) funding to fully transform, recover, and build Montana's economy. These one-time only funds have the ability to shape the future of Montana's economy. We see that the network of MEDA members (SBDC, CRDC, MMEC, MCDC, MWTC, Local Development organizations, etc.) are well suited to foster and deliver access across all of Montana. Our goal is to help our businesses and communities access the ARPA funds successfully and efficiently through local assistance that can quickly recover and transform our state's economy.

We offer our services to deploy funds throughout Montana from the smallest of towns to our large cities, and everywhere in between. We are suggesting that the state bolster the economic capacity of these partners using existing contracts and relationships. This capacity building expense will be covered in the long term by also opening revolving loan funds and other income generating opportunities that will make this capacity increase become self-sustaining. Business assistance with equity investment, workforce attraction and upskilling will significantly transform the business environment.

We offer a simple and actionable solution that utilizes the current network of experienced economic developers and other business consulting organizations within MEDA to administer targeted funds with transparency and accountability. We have a proven track record of building our economies, creating new jobs, retaining existing jobs and increases in labor productivity and want to be part of securing Montana's future as a national leader in economic growth.

MEDA members are on the ground working in communities from Troy to Baker, to address the challenges being experienced. We are passionate about supporting public/private partnerships to help Montana live up to our great potential and understand that each of our communities have unique

needs. We have met with local leaders and statewide decision makers to develop a recommendation based on feedback and our collective experience as economic development professionals. Based upon our discussions and work with the state, our counties, our cities and towns and communities, we ask the State to consider programs that fit within the following focal areas:

- 1. Economic Transformation and Stabilization of our businesses, industries and economy.**
  - a. Creating revolving loan funds that support the capital gaps created by the pandemic (\$20 million)
  - b. Creating a grant program to assist businesses (\$20 million):
    - i. that have taken on debt or experienced changes in the economy that have negatively impacted their Debt-to-income or Debt service coverage ratios,
    - ii. or companies in purchasing equipment that allows them to expand, automate or transform their business;
    - iii. or emerging companies that are transforming key industries of Montana such as agricultural, energy, timber, manufacturing, exporting, bioscience, tech, and more.
  - c. Temporarily expand funding for existing Economic Development Organizations and programs that have proven records of success. This includes but is not limited to Montana Cooperative Development Center, Montana Technology Innovation Partnership, Montana Small Business Development Centers, Montana Manufacturing Extension Center, Montana Food and Agriculture Development Centers, Montana World Trade Center, Certified Regional Development Organizations, tribal economic development organizations, and local rural development organizations
  
- 2. Build a program that will focus on workforce attraction, retention and upskilling programs that efficiently and effectively change the current employment climate.**
  - o Include supporting the efforts of coalitions already formed and working on housing and childcare.
  
- 3. Emphasis and implement Value-Added Agriculture and Food Supply Chain Security initiatives and investments with the Department of Agriculture. (\$50 million)**
  - o Work across the state to provide financial support to existing and emerging corporations that addresses the needs of:
    - i. Local Food Systems and Security
    - ii. Distribution to Rural, Remote and Reservation Communities
    - iii. Local Food and Meat Processing
    - iv. Increase capacity for marketing, branding and distribution of Montana agricultural products (raw and value-added)
  
- 4. The efficient and innovative implementation of capital infrastructure projects including water/sewer and broadband that leverages all available funds including public private partnerships where available.**

The members of MEDA and our partners throughout the state are excited to work with the state agencies, local community leaders, and the Governor's Office, to execute these critical programs. We think the most impactful and time effective way is to expand on the existing programs with budget revisions that add capacity and capital to the state and local levels. As always, our team will be willing and ready to meet with the Commissions and State Leaders at any convenient time and to stand ready to help deploy the funds in a meaningful and impactful way. Our continued and long lasting goal remains, as always, to help communities economically thrive and build a strong future for Montana.

Signed by the MEDA Board,



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Montana Business Assistance Connection



Joe Willauer, Butte Local Development  
and Headwaters RC&D



Steve Arveschoug  
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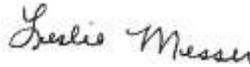


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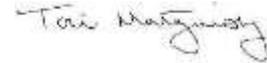
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