MONTANA ECONOMIC DEVELOPMENT DISTRICT/CRDC WORKING GROUP
MEETING
August 9-10, 2012
First Interstate Bank
101 E. Front Street, Missoula, MT

PRESENT:
Evan Barrett          Brigitta Miranda-Freer
Kathie Bailey         Tony Preite
Matt Chase            Jason Rittel
Martin DeWitt         John Rogers
Sarah Converse       Marilyn Ross
Jim Davison           Reggie Shapp
Melissa Fisher        Karen Sweeney
Beverly Fischer       Gib Turner
Rob Gilmore           Paul Tuss
Karen Judicy          Larry Watson
Carolyn Jones         Luke Walawander
Billie Lee            Janice Wannebo
Stuart Leidner        Katie Weaver
Joe McClure           Pat Wise
Tracy McIntyre        Kelly Yarns
Chris Mehus

Welcome and Introductions
The meeting began at 9:45 a.m. Paul Tuss welcomed everyone to the meeting and requested that everyone introduce themselves.

Around the Table Updates
- Eastern Plains Economic Development Corporation - Jason Rittal discussed the economic impact currently going on in eastern Montana with the oil & gas growth (i.e. housing, zoning, man camps, infrastructure, etc.). Economic development organizations throughout the region are working with state and federal officials to ensure the planning is done appropriately. Workforce continues to also be a big issue in Eastern Montana because the oil & gas industry pays higher wages which attracts the local workforce to leave their jobs.
Great Northern Development Corporation - Martin DeWitt echoed Rittal’s sentiments in regards to the boom in eastern Montana. Their biggest issue is housing and the region-wide water distribution system. It was recently announced that North Dakota is only behind Texas for oil producing revenues. Montana has an eighteen (18) months tax holiday currently in place, so our revenues are not as big yet.

Sweetgrass Development Corporation - Sarah Converse mentioned the Montana Alberta Tie Limited (MATL) transmission line connecting Great Falls and Lethbridge, Alberta and Intercontinental Truck Body in Conrad, Montana. SDC is watching and trying to plan ahead based upon what is currently going on in eastern Montana. They are also looking at a trans-load facility in the Cut Bank area and applied for a Big Sky Trust Fund to look into it.

USDA Rural Development - Tony Preite discussed the fact that Otter Creek is moving along quickly and the need to be aggressive to make sure this planning is done thoroughly. Educating the local residents is important.

Bear Paw Development Corporation - Paul Tuss mentioned a lot of natural gas drilling and capping is happening throughout the highline (north central Montana). Tuss also mentioned that Canadian wheat will be increasing across the border due to new trade regulations.

Snowy Mountain Development Corporation - Kathie Bailey is still dealing with flood issues from last year in her region. They received EDA funds to hire additional staff to assist with the increased workload their organization has experienced. Lewistown has been looking at bio-fuel and/or bio-mass pellets development. The Carbon Creek Coal is moving along and wind development continues to increase the tax base. A hotel has expressed interest in locating in Lewistown, but only if community is willing to build a convention center. They continue to look at transportation issues around business needs.

National Association of Development Organizations - Matt Chase wondered how much wealth from the oil & gas boom will stay in Montana asking if there was any effort to ensure the money will stay locally or in state?

Beartooth Resource Conservation & Development Area, Inc. - Chris Mehus mentioned the Wild West Coalition (4 state initiative including 8 districts & 3 tribes) with tourism and economic developers working together on a strategic plan.

Lake County Community Development Corporation - Billie Lee announced they recently completed their C.E.D.S. which included tribal government. Manufacturing facilities are using temp agencies due to the lack of workforce in their region.

Eureka Rural Development Partners - Tracey McIntyre also indicated a lot of businesses are moving to eastern Montana leaving gaps of services along with workforce issues. The Bakken is a statewide blessing or problem, depending on how it affects you.

Headwaters RC&D Area, Inc. - Marilyn Ross reported that Golden Sunlight has a new expansion underway. Rail access is a big issue since Montana does not have a lot of
loading and off-loading facilities. Marginal rail lines are being cut which affects access overall.

- Northern Rocky Mountain Economic Development District - Rob Gilmore suggested a statewide business directory for MEDA members that could be narrowed down by product. Tracy McIntyre indicated the Site Selector tool does do similar things.

National Legislative and Policy Update
Matt Chase, Executive Director, National Association of Development Organizations (NADO), acknowledged that he will be leaving his position at NADO and has accepted the Executive Director position at the National Association of Counties (NACo). Chase also discussed the upcoming Presidential race, the debt ceiling, expiration of Bush tax credits, sequestration and federal programs experiencing an 8% cut across the board come January 2, 2013. The need for a balanced approach is important as the debate continues about revenues and cuts and no real thought about public policy.

Chase’s view is that Economic Development Districts (EDDs) need to plan for a post-EDA world since it will be harder and harder to compete for EDA grants when there is no money. The EDD’s should look at “branding” what they are doing.

Chase also reported that not a lot is happening with the Rural Development Farm Bill. There is discussion currently happening about the definition of “rural” with a possible change to 50,000 for the standard definition of a rural community. There continues to be the reduction of grants available focusing more on providing loans.

The Highway Transit Safety Bill passed re-authorization for another twenty-eight (28) months at current funding levels. Eventually they will have to come up with long-term funding. The bill gave increased flexibility to the states however there is a lot of changes on the planning side.

John Rogers, Economic Development Administration (EDA) for Montana, Wyoming and North Dakota, indicated that relationship building with district representatives is very important. The regions should decide what is needed in their communities, not Washington D.C. Montana should look at what other districts are doing in other states (i.e. Nebraska, Maine, etc.).

Statewide/Regional CEDS & EDD State Associations
Chase presented two presentations entitled “EDA - Know Your Region Initiative” covering Federal Context: big picture considerations, CEDS Standard of Excellence, CEDS Best Practices: Statewide Collaboration and Modernization, and Data Tools and “Lessons Learned from Statewide Assessments”. The focus seems to be on getting away from grant writing and more into problem solving and helping people/communities. Alabama has consolidated their 12 regional CEDS strategies for a statewide CEDS. They hired the university to look at how the state is positioned in the global economy and what strategies they need to focus on. EDA headquarters like the new model/format of up to 12 pages. It was suggested that the local development organizations go to local EDA representatives and work with them to decide if new format is acceptable to them. The template is set up so it can be implemented into a statewide document seamlessly.

John Rogers thought compiling all of Montana’s CEDS to see the common issues would be a good start. CEDS Annual Report – there needs to be integration and we need to work across boundaries collaboration and building relationships with state and local authorities. This can be used to strengthen MEDA. The message should be that EDDs are problem solvers. EDA’s
philosophy is “yes we can” and we’ll work out the details later. Peer reviews would be good before submitting to the funding offices. Focus on organizational skill set not program skill set. Diversity should be used as a strength – not a weakness. MEDA should form a formal statewide brand that should be marketed in-side and out of state or they may want more formalization for this CRDC/MEDA working group.

**CRDC Program Reporting Requirements**

Janice Wannebo, Program Manager for the CRDC Program, distributed the current Administrative Rules 8.99.301 → 8.99.306 for the CRDC Program with the recent change allowing the Department of Commerce to divide the Assistance Grants among the CRDCs based upon the prescribed formula. Other reporting requirements covered were: original signature for funds requested, up to 50% of the expenditure amount, more detail in the quarterly data, annual performance summaries and the definitions on some of the information gathered. The CRDCs will mutually agree upon the definitions in question and report back to the Department on exactly what numbers are used in each category.

**MEDA’s Legislative Agenda and Strategy for 2013 Legislature**

To date, two hundred eighty-seven (287) bills in the Legislature with the majority of them being “place holder” bills. Funding for the CRDC’s has not changed since May 2000 when the program began. An inflation of 30%-35% would be a good indicator of how much to ask for conservatively or a possible “basket approach” increase that is not just specific to the CRDC’s. This Legislature might be a good time to ask for an increase due to a new Administration.

**Innovate Montana**

Evan Barrett, Chief Business Development Officer, Governor’s Office of Economic Development, reported they are continuing to cement as many deals as possible prior to the transition to the new Administration after the election in November. During the last seven (7) years this Administration has tried to build on economic development structure that serves our needs. It has been built on successful, strong relationships with local practitioners, increased professionalism of the practitioners and Montana’s economy has been more dynamic and stronger than other states in the nation. Montana’s economy is becoming increasingly diversified.

The Governor’s Office invited everyone to attend “Innovate Montana” on August 28, 2012 in Bozeman to recognize nine (9) companies that stand out for doing unique things.

Barrett urged everyone to stay with economic development and cautioned to pick and choose which way you interface at the political level. Look for a candidate that understands the need to spend the dollars right through economic development. Leadership that will take Montana forward and that understands the importance of economic development. The B.E.A.R. Program will continue thanks to a long-term contract with the software vendor. M.E.D.A. has contracted with Regional Technology Strategies (RTS) to conduct a regional sector analysis for the state which will be presented at the Fall M.E.D.A. conference in Lewistown.

Barrett reported the Governor’s budget does include funding for the 2019 programs however they are looking at a couple of different ways to fund the programs. Over the years, we have a good set of tools in place and hopes the new Administration will continue with those tools.
Bakken EDD Collaboration
Tony Preite, U.S.D.A. Rural Development, thanked the economic development organizations in the Bakken region for their relentless work. Even though the Bakken does bring problems, it also has its benefits such as high paying jobs, training, royalty payments, etc.

Tony also mentioned the Wood Products Program and the American Recovery Reinvestment Act (ARRA) funding which helped save a lot of wood industry businesses and helped restart the economy.

The meeting recessed at 4:50 p.m. on Thursday.

Paul Tuss reconvened the meeting at 9:40 a.m. on Friday.

CDBG-ED Funding
Billie Lee, Lake County Community Development in Ronan, acknowledged that the recent shift in CDBG from Economic Development has created problems for the local economic development organizations and has impacted economic development overall. The reason why it happened was not clear. When funding is pulled from projects by state or federal agencies it makes businesses more skeptical of the CRDC's ability to do public/private partnerships.

The CRDC/MEDA Working Group recommends that a letter be sent to the Administration and the Department of Commerce Director about the communication of this issue and how the process was handled. Jason Rittal will talk to Andy Poole about the CDBG-ED funds and if this does not work then it should be taken to the MEDA Executive Board to be addressed.

MEDA Program Review Tool/Data Gathering for MEDA Legislative Report/Eliminate CRDC-EDD Blog/Regional Sector Analysis

The MEDA Program Review Tool
This tool is used to evaluate funding agency programs has met a few times. Tracy McIntyre is working with an attorney on the U.S.D.A. Planning Grant program Winifred project and Tony Preite plans to take the attorney’s opinion to the U.S.D.A. The CDBG-ED issue would be a good avenue to this program review tool also.

Data Gathering for MEDA Legislative Report
MEDA has begun gathering data for the upcoming 2013 Legislature compiling CY 2010 & 2011 Program data for a Legislative Coalition Report. Much of the data will be gathered from the CRDCs and local development organizations with a deadline of August 21, 2012. Kathie Bailey does not believe we have a good communication tool and Chris Mehus suggested forming a working group to define the data being gathered. Matt suggested possibly even a peer accountability committee to gather the data and submit to the agencies. Jim Davison also suggested having a picture to personalize what was and was not funded so the Legislature understands the impact behind their decisions. John Rogers thought MEDA should look at an EDA short-term planning grant to begin the process of consolidate statewide data using some techniques Matt discussed yesterday. Paul Tuss would prefer the CRDC working group define the data they have been gathering and report back to the Department of Commerce with the definitions. Chris Mehus acknowledged he developed an Excel spreadsheet that accumulates key economic data over the years that he would be glad to share with other CRDCs.
Consensus amongst the attendees was to eliminate the CRDC-EDD Blog link on the MEDA website since no one has used this feature.

Regional Sector Analysis
Barrett reported that the B.E.A.R. Program will continue thanks to a long-term contract with the software vendor. M.E.D.A. has contracted with Regional Technology Strategies (RTS) to conduct a regional sector analysis for the state which will be presented at the Fall M.E.D.A. conference in Lewistown.

Impact Calculations/Entrepreneurial Coaching/Business Assessment and Risk Mitigation Tools
Impact Calculations
Rob Gilmore reported that Solution Mountain has a tool called Analyzet that calculates the economic impact of any local business or predicts the value of your community’s projects large and small. N.W. Energy has agreed to fund 20 Analyzet reports with local development organizations from across the state. Lake County Community Development will be the first organization to work with Solution Mountain using Analyzet. It uses the IMPLAN data set to project the post-economic output of a project including taxes and jobs. CRDCs interested in the impact calculators should contact Rob Gilmore at robgilmore@msn.com for details.

Business Assessment Risk Mitigation Tools
In conjunction with B.E.A.R., uses mitigation teams to assess the risks in businesses.

Chris Mehus would like to look at ways to expand the B.E.A.R. to network service providers. Both the Impact Calculators and the Business Assessment are tools that take B.E.A.R. to the next level.

Roundtable Idea Sharing and Best Practices
The ideas yesterday on branding of economic development organizations, CEDS statewide, the structure of the MEDA working groups and the Legislative initiatives with an intent to be more proactive and take the lead.

Chris encourages private investment with the CRDCs so they become self-sufficient due to the federal funds declining. Chris would like to sit down with a marketing firm to develop a brand and identity but part is formalizing this group more. Chris suggested having everyone contribute to having a college class (either university) look at each website, interview staff and compile similar data. We could initiate the process at the October MEDA meeting by placing it on the agenda to discuss reporting along with doing a branding exercise. An impact study on regional economic development organizations as a whole would be a good start. The CRDC working group decided to meet on Monday, October 1 around noon (working lunch) prior to the MEDA October conference scheduled in Lewistown.

Closing
With no further business, Paul Tuss thanked everyone for attending. The meeting adjourned at 11:50 a.m.