A Brief History of the 2019 Economic Development Programs and other Key Tools for Building and Sustaining Montana.

In the 1999 Legislative Session, Rep. Doug Mood sponsored HB260 entitled “Encourage Economic Development via Investment in Research/Commercialization Projects.” The bill was a product of Governor Racicot’s Jobs & Income initiative and the Vision 2005 (Agricultural) initiative. These initiatives were the product of strategic planning meetings that occurred all across Montana in 1997 and 1998. The bill was passed into law and used a coal tax diversion for funding. The funding source was ruled unconstitutional by the Montana Supreme Court, leaving the programs unfunded. A special session was called by Governor Racicot in May of 2000 to, among other things, fund the programs through a constitutional source. Then Rep. Karl Ohs sponsored HB1 during the 2000 Special Session. It was a bill entitled “Legislation appropriating funds from the General Fund for programs established through the good-faith efforts of the Fifty-Sixth Montana Legislature in HB260.”

Thanks to the united efforts of great leadership and a large coalition of partners, the following programs were Initiated and funded or had their funding enhanced: Montana Growth Through Agriculture, Montana Cooperative Development Center, Montana Board of Research and Commercialization Technology, Small Business Development Centers, Montana Technology Innovation Partnership (formerly SBIR), Certified Regional Development Corporations (previously Certified Communities program), Montana Manufacturing Extension Center, and Trade and International Relations Bureau.

During the 2009 Legislature House Bill 123, entitled Fund Statutory Economic Development Programs, was introduced to extend the sunset on the following eight economic development programs from June 30, 2010 to June 30, 2019.

- Small Business Development Centers
- Small Business Innovation Research
- Trade and International Relations Bureau
- Montana Manufacturing Extension Center
- Research and Commercialization
- Certified Regional Development Corporations
- Growth Through Agriculture
- Cooperative Development Centers

House Bill 123 as passed by the Legislature provides level funding for all of the economic development programs from June 30, 2010 to June 30, 2019 except for the following two programs.

- The Growth Through Agriculture Program is reduced from $1.25 million per year to $625,000 per year for the period from July 1, 2010 until June 30, 2013. On July 1, 2013 the funding will go back up to $1.25 million per year through June 30, 2019.
- The Research & Commercialization Program is reduced from $3.65 million per year to $1.275 million per year for the period from July 1, 2010 until June 30, 2013. On July 1, 2013 the funding will go back up to $3.65 million per year through June 30, 2019.

In addition to the “2019 Programs” key One-Time-Only programs, essential for economic growth in Montana were funded by the 2011 Legislature. These programs often supplement and support the programs listed above, and vice—versa.

- Primary Sector Workforce Training Grant Program
- Indian Country Economic Development (ICED) Program
- Montana Main Street Program
- Incumbent Worker Training Grant Program
- Food and Agriculture Development Centers

The following report demonstrates the success of these programs, how they work together, and are indeed making an “IMPACT—Partnerships that Work” for Montana.
CERTIFIED REGIONAL DEVELOPMENT CORPORATIONS

The Certified Regional Development Corporations Program…

- Encourages a regional approach to economic development.
- Facilitates efficient delivery of economic development programs.
- Supports regional planning and capacity building.
- Provides administrative, professional, and technical assistance to business and local governments, and
- Helps local officials and communities, and Census designated places pool limited resources, achieve economies of scale, build organizational skill and professional expertise, and foster regional collaboration.

Need for Program:
The Certified Regional Development Corporations Program is needed to…

- Assist local businesses on a regional basis.
- Provide loans to local businesses.
- Leverage private investments.
- Create and retain new jobs locally.

Goals and Measurements:
The Certified Regional Development Corporations Program will continue to…

- Encourage a regional approach to economic development.
- Facilitate the efficient regional delivery of economic development programs.
- Support regional planning and capacity building.
- Combine state and local fund leveraging and increased financial capacity for local governments to obtain professional economic development services, assist local businesses, and expand local economies.

The Certified Regional Development Corporations will measure its success by tracking and reporting…

- The number of and total dollar amount of business loans provided.
- The total amount of private investment leveraged.
- The total number of jobs created and retained.
- The amount of assistance provided to local governments and businesses.
- The total amount of federal dollars managed.

Risks if Program is Not Continued:
Failing to fund the CRDC Program would…

- Keep most local governments and communities from continuing their access to professional economic development services due to limited local financial capacities.
- Make the provision of economic development services to local governments and businesses much more difficult, and
- Create major obstacles to the effective and efficient delivery of funds for development loans to local businesses.

Montana Department of Commerce
CERTIFIED REGIONAL DEVELOPMENT CORPORATIONS

CERTIFIED REGIONAL DEVELOPMENT CORPORATION REGIONS
Montana Department of Commerce

[Map showing regions of Montana with various certifications for regional development corporations.]

Bear Paw Development Corporation
of Northern Montana

Sweetgrass Development

Great Northern Development Corp.

Snowy Mountain Development

Eastern Plains Economic Development Corporation

Headwaters Business Network

Prospera Business Network

Beartooth Development Corporation

[Additional logos and information related to regional development initiatives.]

Page 4
Montana Technology Innovation Partnership (Formerly the Small Business Innovation Research Program)

Source: SBIR.gov plus specific agency award listings 2012

The Montana Technology Innovation Partnership...
- Offers free, high-level, confidential, and individualized coaching services to candidate companies seeking to apply for federal SBIR and STTR funding.
- Helps Tech-based Montana companies compete more successfully for a larger share of the multi-billion dollars available from the Federal government to small technology firms.
- Coordinates with other programs serving small businesses, thereby avoiding duplication of services and resources.

Need for Program:
The Montana Technology Innovation Partnership is necessary for...
- Helping companies access the critical, early-stage capital essential for growing innovation into commercial success.
- Allowing companies to verify the feasibility of new technology; practicing and refining it.
- Allowing companies not required to repay either SBIR or STTR funds to spend more on jobs creation and wages.
- Helping businesses to access new money through federal programs without requiring matching funds of any kind.

MTIP offers guidance in
- Identification of potential R & D funding;
- Understanding complex proposal requirements and development;
- Understanding and planning patent and intellectual property strategies;
- Understanding federal grants, contracts and governmental accounting; and
- Developing a realistic commercialization approach.

Risks if Program is Not Continued:
Failing to renew funding for the Partnership would result in...
- The loss of MTIP support to the increasingly important technology based business community.
- The possible loss of $10 to $15 million annually in federal SBIR and STTR funds presently coming into the state.
- The loss of commercialization success arising from funded technologies which means the loss of more higher-paying jobs for Montana workers and the loss of increased tax base for Montana.

<table>
<thead>
<tr>
<th>Current Level General Funding</th>
<th>Montana Awards Received 2000-2011</th>
<th>SBIR Funds to Montana Companies 2000-2011</th>
<th>Annual SBIR Average Awards made to Montana Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000/yr</td>
<td>388</td>
<td>$111,208,118</td>
<td>$9,267,343</td>
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</table>

Montana Department of Commerce
Legal Atlas
(MISSOULA, MT) Congratulations to Legal Atlas, MTIP client and winner of the top “innovative ideas” prize at the HiIL Innovating Justice forum at The Hague, Netherlands! Legal Atlas was one of over 60 projects worldwide in two categories (successful innovations and innovative ideas), including projects from every continent. Legal Atlas states, “The judges felt, in particular, that Legal Atlas's mapping of country laws around the world and the ability to bring this legal data to a wider audience, especially those outside the legal field, was especially compelling.” HiIL is a not for profit research and advisory institute for the justice sector based in The Hague, with a mission to improve conflict resolution processes.

Keep an eye out for their blog series dedicated to the platform’s development, unique research methods, and international legal best practices. Their website (in development) aims to be a global reference center, and will provide a database of descriptions of legal processes, structures and implications of laws throughout the world, along with a visual mapping system of the jurisdictional footprint of laws.

MTIP is especially excited for Legal Atlas’s successful win! James Wingard and Maria Pascual of Legal Atlas are participating in a joint venture with the University of Montana (U. of M.). They are currently located at MonTEC in Missoula, Montana, U. of M.’s business incubator. MTIP staff met Legal Atlas in June of 2012 at a MonTEC networking event and assisted Legal Atlas in the submission of their idea for a Small Business Innovation Research (SBIR) award.

The SBIR program is a highly competitive program for small businesses in the United States to compete for federal research and development funding, with the end goal to commercialize the company's technology. MTIP offers technical assistance for SBIR and STTR (Small Business Technology Transfer) proposals. MTIP's mission is to build the short-term benefits of technology research and development into the long-term rewards of economic development through commercialization.

Westscape Nursery
(BELGRADE, MT) Westscape Nursery is a current and active client with MTIP, and with the help of MTIP's consultants, they applied for and won a USDA SBIR Phase I grant. With this award, Westscape Nursery was able to research and develop halophytic plants that grow in areas where salt and selenium have collected in the soil. It had been previously assumed that nothing would grow in these areas.

Westscape Nursery worked with the US Fish & Wildlife Services, exploring plant growth possibilities in the Hailstone Reservoir area near Billings, and in order to complete necessary testing, additional funding was needed - they then applied for and were awarded SBIR Phase II funding.

The Army Corps of Engineers partnered with Westscape to work under a CRADA, a Cooperative Research And Development Agreement, to speed the commercialization of technology and retain patent rights on inventions the private company developed under the CRADA. While working under this CRADA, the Army Corps of Engineers shipped product to Westscape to do additional experimentation for enhancing growing conditions. As a direct result of these research and development efforts, Westscape Nursery was able to produce and grow vegetation in areas where a panel of experts claimed that nothing would grow on that particular site for 100 years!
The Montana Small Business Development Center Program…

- Provides one-on-one professional counseling, group training, and resources to individuals and small businesses that could not otherwise access or afford these services through a network of 10 statewide offices.
- Provides help primarily with the development of business plans, financial projections, market research, and financing strategies.
- Provides a high return on the state’s investment and a high level of accountability for program outcomes.

Need for Program:
- Montana has one of the highest rates of self-employment and one of the highest rates of new business start-ups every year, and consistently ranks near the top in entrepreneurial activity according to the Kauffman Index of Entrepreneurial Activity.
- Small businesses account for 75% of new job growth in Montana.
- The SBDC provides the professional support and direction that help these small businesses survive and become profitable.
- 85% of small businesses that receive support and guidance remain in business after the first three years, versus the national failure rate of 80% during that same period without assistance.

Program Goals and Measurements:
- Through a statewide network of ten offices, The Montana SBDC will continue to…
- Offer no-cost business counseling and low-cost training to existing and start-up small businesses helping them to become profitable through developing business plans, financial projections, and marketing strategies.
- Improve the survivability of Montana’s small businesses and entrepreneurial activities through one-on-one business assistance and group trainings.
- Continue to maintain and target services with a state and federal budget that has not kept pace with inflation over the past 12 years.

The Montana SBDC will measure its success by tracking and reporting annually the…
- Number of clients receiving counseling.
- Number of clients receiving training.
- Number of counseling and training sessions
- Number of hours of counseling
- Number of existing, start-up, and pre-venture clients served.
- Economic impact: Number of jobs created and/or retained, the growth in sales, new state and federal tax revenues generated, and the dollar amount of SBA and non-SBA loans and equity capital.

Risks if Program is Not Continued:
Failing to renew funding for the Montana SBDC would…
- Increase the likelihood or failure for those developing and potential successful businesses that cannot access guidance and support.
- Decrease access to affordable business assistance services in the most rural areas of Montana.
- Discontinue the state program due to loss of state matching funds.
Tarantino’s has successfully operated their single location on the busy corner of Main Street and Rouse Avenue in Bozeman, Montana for several years, catering mainly to late-night crowds making their way through Bozeman’s thriving mid-east Main bar district. Even though Tarantino’s was selling a lot of individual slices of pizza after 10 p.m., they were missing a huge part of the pizza market: families and non-bar going adults. Sean Becker, Business Advisor with the Small Business Development Center at Montana Community Development Corporation, assisted Ryan Olson, owner of Tarantino’s, with each phase of business development as he researched a second, more family-friendly location. Sean helped Ryan craft an informed business plan and they were able to successfully solicit an SBA loan to accompany the equity that Olson himself invested in the start-up location. Tarantino’s Pizzeria is open and operating seven days a week on the busy North 7th Avenue, serving customers ranging from seniors to families to sports team on a regular basis in their newly remodeled facility that boasts plenty of parking, seating space, a convenient location, with beer and wine and gaming nearby.
The Montana Manufacturing Extensions Center...

- Assists manufacturers in adopting new, more advanced manufacturing technology, techniques, growth services, and business practices appropriate for small business.
- Provides information, training, decision support, and implementation assistance to Montana’s manufacturers in all industries from value-added agriculture and job shops to advanced technology and alternative energy companies.
- Provides professional services regionally with five located engineers and a sixth engineer and marketing professional to provide engineering, marketing training, and technical assistance to bio-product and alternative energy manufacturers statewide.

Need for Program:

The Montana Manufacturing Extension Center is essential to the continued...

- Development of a diverse manufacturing base able to withstand nation-wide economic swings.
- Improvement of Montana’s manufacturing competitiveness, increased export activity, and increased sales and profits.
- Creation of more and better manufacturing jobs, that pay higher than average wages, and create jobs in other related sectors of Montana’s economy.
- Increases in the State’s tax base from manufacturing revenues which account for 20% of that base.

Program Goals and Measurements:

The Montana Manufacturing Extension Center will continue to...

- Provide training, engineering, growth, and business assistance to Montana’s manufacturers.
- Increase the amount of services offered by the MMEC to Montana’s manufacturers.

The MMEC will measure its success by tracking and reporting...

- Increased and retained manufacturing sales figures.
- Increased and retained manufacturing jobs.
- Capital investments made in Montana-based manufacturing.
- Freed up cash for expansion through cost savings to Montana’s manufacturers.
- Clients served, projects completed, and counties served.

This information is collected and reported quarterly using a survey methodology developed and administered by the National Institute of Standards and Technology.

Risks if Program is Not Continued:

Failing to renew funding for the Montana Manufacturing Extension Center would result in...

- The loss of matching federal funds presently leveraged through the MMEC.
- Loss of support services which help to make Montana’s manufacturers more successfully competitive.
MMEC has worked with nearly all 24 firms in the growing MT photonics cluster.

Montana Instruments, Inc.

⇒ Transitioning from research & development to production

⇒ Sales started at zero: 2009 on target for $5 million in 2012 (now 10 employees and hiring)

⇒ MMEC led on Lean Mfg, repeatability, plug & play metric, helping deliver on time even as sales rise

⇒ MMEC/DOC B2B created appealing tagline “Cold Science Made Simple” plus strategic marketing plan

⇒ Bolstered online presence

⇒ Cohesive, customer-focused messaging developed to demonstrate value

View MMEC Success Stories at www.mtmanufacturingcenter.com

- Montana's PFM & Land Tamer to New Pinnacle of Growth  www.landtamer.com
- Innovation Meets Standardization: Neuralynx Pursuing the Medical Device Market www.neuralynx.com
- Northwest Factory Finishes Applies Center Expertise for Bold Growth Move www.NWFF.com
- Granrud’s Lefse Shack  www.lefseshack.com
The Montana Cooperative Development Center…
- Provides assistance to individuals and groups starting new businesses utilizing the cooperative business model.
- Promotes the development of new cooperatives and the improvements of existing cooperatives as a means of meeting the economic needs of rural Montana.
- Focuses primarily on cooperatively organized enterprises that implement value-added agriculture, forestry, energy, housing, transportation, clothing, fitness, artisans, etc.

Need for Program:
The Montana Cooperative Development Center is essential to the continued…
- Growth and development of cooperative efforts among businesses which allows for increased markets and improved viability for participating businesses.
- Capacity of the MCDC to leverage federal funds building viable business opportunities and expanding state revenues.
- Retention of businesses through the establishment of effective and efficient cooperative efforts.

Program Goals and Measurements:
The Montana Cooperative Development Center will continue to…
- Develop and maintain businesses in rural Montana using the cooperative business model.
- Provide professional assistance to individuals and groups starting new businesses through the application of the cooperative business model.
- Promote new cooperative business efforts and to improve the efficiency and effectiveness of existing business cooperatives.

The Montana Cooperative Development Center will measure its success by tracking and reporting…
- The number of existing cooperative that have been strengthened by Center activities
- The number of new cooperatives that have been formed through Center activity.
- The number of direct jobs created, total payroll benefited, and the potential economic sector benefit produced through new and existing business cooperatives.

Risks if Program is Not Continued:
Failing to renew funding for the Montana Cooperative Development Center would…
- Close the only existing statewide resource for business cooperative development.
- Put many small, rural Montana businesses in jeopardy by reducing their capacity to form and maintain effective business cooperatives.
- Reduce the number of small, rural Montana businesses that survive and thrive without effective cooperative efforts.

<table>
<thead>
<tr>
<th>Current Level Funding</th>
<th>Cooperatives Formed</th>
<th>Cooperatives Pending</th>
<th>Number of Jobs Created and/or Retained</th>
<th>Total Payroll Benefit</th>
<th>Grants provided by MCDC</th>
<th>Dollars leveraged to date</th>
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</thead>
<tbody>
<tr>
<td>$65,000/yr</td>
<td>45</td>
<td>10</td>
<td>531</td>
<td>$19,595,712</td>
<td>$32,500</td>
<td>$4.6 million</td>
</tr>
</tbody>
</table>
SUCCESS STORIES—PARTNERSHIPS THAT WORK

A Sampling of Projects

Linx Transportation Co-op  Last Chance Cafe (Sunburst)
Mobile Home Park Co-op  Vegetable Growers Co-op
Women's Business Incubator Co-op  Lazy JC Cooperative
Riverside Crossing Cooperative  Northwest Pork Cooperative
North Central Senior Housing Co-op  Wind Energy
Got Socks Community Owned Store  Artitudes Art Gallery

Hamilton Farmers Market Cooperative
Big Fork Farmers Market Cooperative
Micro Brewery, Commercial Kitchen and Restaurant Cooperative (Glendive)
Montana Branded Beef Association Cooperative (MBBA) (Statewide)
Montana Board of Research and Commercialization Technology (MBRCT) ...

- Provides a predictable and stable source of funding for research and commercialization projects.
- Expands and strengthens research efforts for the state’s basic industries helping to increase their impact on the state’s economy.
- Expands research efforts into areas beyond the scope of the state’s basic industries diversifying and strengthening the state’s economic security through the creation of technology-based operations and long-term quality jobs.

Need for Program:
Research has become an important industry in Montana, but competition for funding is keen.

- Sponsored research in Montana exceeds $100 million annually and MBRCT funding plays an important role in the efforts of companies and the Montana University System (MUS) to obtain research funding.
- Companies can apply directly to MBRCT for funding.
- Most of the MUS research projects sponsored through the MBRCT directly involve Montana companies resulting in a university research-technology transfer-company commercialization model that has proven very successful in expanding economic development in the state.
- MBRCT funds are used by MUS research infrastructure projects to demonstrate the state’s commitment to the development of effective research efforts leveraging millions of additional federal dollars.
- Many of the MBRCT funded research and commercialization projects have resulted in the sale of new products by Montana companies.

Program Goals and Measurements:
The MBRCT program will continue to...

- Provide a predictable and stable funding source for research and commercialization projects.
- Expand and strengthen research and commercialization efforts for the state’s industries increasing their positive impact on the state’s economy.

The MBRCT will measure its success by tracking and reporting...

- The total matching funds leveraged by research and commercialization state funds. (at least 25% of total project costs)
- Additional funds obtained by Montana projects after receiving MBRCT funds increasing those funds by at least $6.5 million per year.
- The total amount of grants made to production agriculture projects. (at least 20% of grant funds awarded annually)
- The total amount of grants made to clean coal and renewable energy projects. (at least 30% of grant funds awarded annually beginning in 2008)

Risks if Program is Not Continued:
Failing to renew funding for the MBRCT would result in...

- Lost capacity to compete effectively for research and commercialization funds from public and private funding sources.
- Lost ability by the MUS and other research and commercialization facilities to help Montana based companies to develop new products and to compete nationally and internationally for revenues.
- Direct losses to state tax revenues through reduced tax-base, in long-term jobs, and of leveraged research and commercialization dollars presently brought into the state by MBRCT efforts.
- Reduction of the ability of Montana to compete in the technology marketplace.
Enhancement of Applied/Translational Research in Biomedicine
Richard J. Bridges – University of Montana
Funded FY2001-FY2012 in the amount of $1,851,290
Matching Funds Leveraged: $2,323,516 – 1.25:1
Follow-On Funding: $37.6 million – 20.3:1

“Design and implementation of this project represents one of the best ways in which university-based research can be leveraged and directed toward economic development in Montana”…Dr. Richard Bridges, the Principal Investigator and Chair of the Department of Biomedical and Pharmaceutical Sciences within the College of Health Professions and Biomedical Sciences at the University of Montana.

The MBRCT has provided multi-year funding for this project which leverages a National Institutes of Health (NIH) Center of Biomedical Research Excellence (COBRE) award. The overall goal was to establish the Center for Structural and Functional Neuroscience (CSFN) for the purposes of increasing critical mass of researchers and providing needed infrastructure to increase the competitiveness of biomedical research efforts in Montana. This project is successfully having a long-term positive impact on Montana’s economy by:

⇒ increasing jobs through the acquisition of federal research grants and contracts
⇒ enhancing collaborations with private sector companies
⇒ developing and protecting intellectual property that can be commercialized through existing or new companies.

Under the leadership of Dr. Richard Bridges, the project has successfully created an academic environment at the CSFN where products and technologies are being developed and collaborating private sector companies are commercializing them. The strength of this strategy lies in the number of seed projects that have developed new start-up companies, or partnered with existing companies. These companies have attracted other sources of financial support, such as Small Business Innovation Research (SBIR) funding, MBRCT funding and private capital. A strong emphasis is placed on the development of novel diagnostics, devices and/or therapeutic agents related to the treatment of brain injury or disease. In the past few years, these efforts have led to the development of numerous patents and establishment of four biotech start-up companies:

1. Synapis Pharma
2. ATERIS Technologies
3. Transynaptic
4. Rio Pharmaceuticals

These are major steps forward that have had profound economic impact on the development of future biotechnology in Montana.
Worker Training Grant Program
Primary Sector Workforce Training

Performance Measurements 2007-2012

<table>
<thead>
<tr>
<th>Total $ Awarded Fiscal Years 2001-2012</th>
<th>New Montana Jobs to be Created</th>
<th>Montana Workers to be Trained*</th>
<th>Leveraged Funds Invested in Projects</th>
<th>Annual Estimated Return to State General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12,163,586</td>
<td>3,123</td>
<td>4,231</td>
<td>$223,796,206</td>
<td>$14,324,738</td>
</tr>
</tbody>
</table>

Worker Training Program...
- Provides grant funds to existing and new Montana businesses for new worker training.
- Designed to encourage job creation and business expansion in primary sector businesses.

Need for Program: Montana continues to struggle with low wages and under-trained workers. The Worker Training Program is needed to...
- Provide an essential incentive for new businesses to locate to Montana. State-supported worker training programs are among the incentives most important to expanding or relocating businesses.
- Provide existing businesses with essential support for new worker training that allows them to expand their business in Montana without needing to leave the State.

Program Goals and Measurements: The Worker Training Program will continue to...
- Attract new businesses to Montana by providing state support for new worker training as a major incentive to relocation.
- Assist new and existing businesses to create new jobs that pay a minimum of 170% of the state’s minimum wage or the county average wage thereby raising wages across Montana.
- Measure its success by tracking and reporting...
  - The creation of eligible new jobs and the hiring of employees for those jobs.
  - The salaries of trainees and changes to salaries through the project.
  - Summaries of the training program as planned and as delivered.
  - Amount expended for each trainee. (not to exceed $5000)

Risks if program is not funded: Failing to renew funding for the Worker Program would result in...
- The loss of an essential incentive for new businesses to relocate to Montana.
- The loss of support for new worker training programs which has already generated over 3000 new jobs.
- The loss of a competitive recruitment and retention tool that almost all other States employ putting Montana at a significant disadvantage for expanded jobs and businesses.

Impact of Reduced Funding Level for FY 12-1
- FY12—$1,000,000—all funds were awarded to projects within the first nine months of the fiscal year.
- FY13—$1,000,000—approximately 80% of the funds were awarded within the first month of FY.

(*During FY10-11 training funds were available for both existing and new workers **Based on data available as of 9/20/2012)
SRS Crisafulli

The Montana Department of Commerce awarded a $99,225 Primary Sector Workforce Training Grant (WTG) to SRS Crisafulli of Glendive to train 34 workers in the company. SRS Crisafulli manufactures sells and services high capacity, high performance pumps, dredges and power units to customers throughout the United States and in over 29 counties.

SRS Crisafulli products are used in a wide variety of applications including transfer of fluids in large volumes, from clear water to slurries with high concentration of solids in solutions, and dredging of municipal and industrial wastes, including toxic and non-toxic materials.

SRS Crisafulli is one of a select few manufacturers of specialized, engineered dredging systems in the United States. From its beginning, SRS Crisafulli has served agriculture with pumping equipment for irrigation, flood control and dewatering. In the past decade, the company moved into industrial markets for liquid waste handling.

In 1996, the company helped prevent a potential environmental disaster by shipping dredges to Venezuela to pump toxic “red mud” from an aluminum plant’s tailing ponds before the spillover polluted nearby rivers.

SRS Crisafulli also manufactured a dredge system for Societe des Mines de Syama’s gold mine in Mali, West Africa. The FLUMP, or floating pump, dredges and pumps solids from a tailings pit back into the leaching process to reclaim gold, which otherwise would be lost.

Last year’s record floods across the United States boosted demand for the company’s durable, high performance and transportable pumps and dredges. Even with the high demand in Montana because of the flooding, 94% of SRS Crisafulli’s sales were still from outside of the State of Montana. The company buys parts and hires expertise from Montana to Seattle; wanting to ensure that their products are US Made.

The Montana Census and Economic Information Center (CEIC) completed a cost benefit analysis of the WTG award to determine the potential payback to the state’s General Fund through the WTG grant investment. Based on CEIC analysis, the State of Montana’s return on its investment of $99,225 of WTG funds equated to $119,987 annually; thus the payback of the WTG investment to SRS Crisafulli was less than one year.
The Montana Main Street program …
Helps communities strengthen and preserve their historic downtowns by focusing on economic development, urban revitalization, and historic preservation through long range planning, organization, design, and promotion.

- Serves as a coordinating resource for communities seeking to revitalize their historic downtown commercial districts and surrounding neighborhoods.
- Assists designated and affiliate communities in the organization and administration of their Main Street programs, providing technical assistance and on-the-ground training as needed.
- Provides networking opportunities and serves as an advocate for local communities that are interested in downtown renewal, economic development, and historic preservation.
- Enables communities to identify and secure additional funding opportunities for revitalization projects.

Need for Program:
The Montana Main Street program is needed to …

- Serve as the primary resource for downtown development, revitalization, and historic preservation issues for communities of all sizes that are interested in maintaining economically vital and relevant downtowns. The Montana Main Street Program serves as the coordinating resource and is an essential go-to resource for downtown development and historic preservation services in the state.
- Stimulate business investment, assist in retaining existing small businesses, promote new businesses, strengthen the local tax base, create employment opportunities in downtowns, enhance the economic vitality while maintaining local historic integrity, quality of life, and a sense of place throughout Montana’s downtown areas and historic districts.
- Help identify and capitalize on existing assets such as distinctive architecture and pedestrian-friendly environments in the historic business districts, assisting communities in planning for and preserving these features whenever possible.

Goals and Measurements: The Main Street program will—

- Increase accessible by eliminating the requirement for paid staff at the local level and providing downtown development and historic preservation services communities require most. Communities of all sizes are encouraged to participate in the Montana Main Street Program.
- Apprise communities of funding opportunities through the Montana Department of Commerce, other state and federal agencies, and from private sources.
- Measure success by tracking and reporting annual net job gains and losses; net gains in new businesses; public improvements completed and amount of grant funding awarded through the Montana Main Street Program and other sources; number and types of projects completed and amount of technical assistance provided per community.
- Number of annual volunteer hours in each community donated

Risks if Program is Not Funded:
Failing to fund the Main Street program could:

- Result in fewer independently owned businesses and fewer employees
- Lower the tax base for municipal governments
- Decrease property values in the downtown areas
- Decrease the ability of small communities to build capacity for economic development, particularly in eastern Montana communities experiencing the impacts of large scale oil and gas development as well as those communities that continue to be impacted by the economic downturn.
Terry, Montana (Main Street Affiliate)

**Growth Policy**
Taking a proactive approach to significant regional economic growth, the Town of Terry utilized Montana Main Street Program funds to develop a growth policy to guide future growth and development in the town’s traditional community setting. The comprehensive plan will assist Terry with long-term development goals and objectives that will strengthen the downtown district and ensure that growth occurs in unison with the nature of the community and main street.

While the Town of Terry aimed to complete much of the growth policy in-house, Montana Main Street funds provided the Town with the ability to bring in a professional planner to assist the community in developing this comprehensive planning tool.

**Heritage Tourism Action Plan**
The Town of Terry, working with the guidance and support of the Montana Main Street Program, secured a Preserve America grant to develop a heritage tourism action plan in coordination with the community growth policy. Local efforts connected development goals with marketing and branding strategies and the preservation of Terry’s historic and cultural assets.

To complement the overall plan, the creation of a heritage tourism logo and promotional materials furthered the community’s goals of achieving a historical uniqueness and creating a welcoming environment for visitors and investors. Terry connected its Heritage Tourism Action Plan goals to its Growth Plan by identifying three emphasis areas: economic development, the preservation of Terry’s historic, cultural, and natural resources, and community pride.

Such accomplishments prepare the Town of Terry to capitalize on regional growth and development opportunities present in eastern Montana while maintaining the charm and sense of place found within this small Montana community.

Montana Department of Commerce
The Indian Country Economic Development (ICED) Program provides funding for...

1. **Tribal Priority Projects** at $560,000 per year ($70,000 per tribal government) for economic development activities including:
   - Tribal business development,
   - Workforce, and entrepreneurial training projects,
   - Feasibility studies, and
   - Other priority Tribal economic development projects.

2. **Montana Indian Equity Fund at $126,000 per year ($7,000 per award)** for:
   - Start-up and expansions of tribal member-owned businesses on or near reservations as designated by local review committees

3. **Indian Entrepreneur Training Technical Assistance for each of Montana’s recognized tribal communities at $24,000.**

**Need for Program:** Montana’s Reservations continue to struggle with high unemployment and underemployment, along with low wages. The Indian Economic Development Program is needed to develop and promote sustainable economies in Indian Country by...

- Providing necessary resources to existing Tribal businesses to help them expand operations and facilities, train and employ new workers, and thrive.
- Providing necessary resources to encourage the development of new Tribal businesses creating new job opportunities, and improving the overall economies of Montana’s Reservations.
- Encouraging entrepreneurship and private business opportunities in tribal communities that have a persistent lack of access to affordable credit and capital.
- Providing business skills training to the growing numbers of entrepreneurs who are the necessary “risk takers” in a healthy, free-market economy.

**Program Goals:** The Tribal Economic Development Program will continue to...

- Assist tribal members in Montana get hired into permanent full-time jobs, start their own businesses, and improve their economic circumstances.
- Fund priority economic development projects identified by the Tribal Governments that will allow the Tribal Governments to provide more employment opportunities and greater wages to their citizens over the long term,
- Fund individual private businesses that are starting-up or expanding with small grants and technical assistance that helps to develop the private sector economy on the reservations in Montana and with the Little Shell tribe, and
- Provide funding for entrepreneurial training to tribal members so that they have a better chance of success in starting and growing their own businesses.

**Program Measurements:** The success of the program is measured by tracking and reporting:

- Number of jobs created, retained, or trained as a result of ICED investment.
- Amount of matching funds,
- Leverage ratio with other funds, and
- Number of projects that met or exceeded their proposed goals.

**Risks if program is not funded:** Failing to renew funding for the Tribal Economic Development Program would result in...

- The loss of support for new business and existing development on Montana’s Reservations that have begun to show results in improving the economies of tribal communities.
- Continuing issues with high under-employment, unemployment, poverty, and lack of economic opportunities on Montana’s Reservations.
Indian Country Economic Development (ICED) Program
Success Stories—Partnerships That Work

Tribal Government Priority Economic Development Projects

Fort Belknap Indian Community
Smokehouse Grill ($70,000)
ICED funds utilized in the project supported the start-up of the Smokehouse Grill, a restaurant located in Fort Belknap Agency, MT. 23 part-time employees, between the Smokehouse Grill and Island Mountain Development Group (the Tribe’s economic development entity) were included in this funding.

Blackfeet Tribe
Oki Communications ($70,000)
ICED funds utilized in the project supported the retention of 4 FTE tribal member employees. This project expanded Oki Communication’s internet services on the Blackfeet Reservation to include southeastern and eastern sections of the Reservation. This project was matched with $100,000 by Oki Communications.

Montana Indian Equity Fund

Clara Caufield
“A Cheyenne Voice” ($7,000)
Clara was awarded a $7,000 Montana Indian Equity Fund Grant in 2011 for her publication “A Cheyenne Voice”. Clara utilized the funding to purchase printing equipment and supplies. “A Cheyenne Voice” distribution has grown from 200 weekly copies to over 1,000 weekly circulated copies.

Aileen Meyer
Finley Creek Greenhouse ($7,000)
Aileen Meyer, owner of Finley Creek Greenhouse in Arlee, Montana utilized a $7,000 Montana Indian Equity Fund grant to increase her inventory in 2009. Aileen matched her award with $43,800 in assets and inventory.

Indian Entrepreneur Training & Technical Assistance

Yolanda Good Voice
Crow Indian Entrepreneur Training
Yolanda Good Voice has provided almost 70 individuals training and has worked with over 200 individuals to provide them with business resources and training. Yolanda was recently named the Small Business Administration 2012 Minority Small Business Champion.
The Montana Marketing Technical Assistance Partnership…

- Provides technical (business-to-business) marketing information and coaching to selected Montana businesses
- Provides business-to-business marketing workshops through local Small Business Development Centers and other organizations
- Offered through a joint venture of the Montana Department of Commerce, the University of Montana, the Montana Economic Developers Association (MEDA), and the Montana Manufacturing Extension Center (MMEC)

Need for Program:

Business-to-business marketing expertise is an important component for business success yet it has been misunderstood and underutilized. Most companies do not have staff with this expertise and most, if not all, private sector marketing assistance is in “retail” marketing, not business to business marketing. The program provides value to Montana businesses by …

- Assigning a marketing coach to an individual company to help assess markets for entry or expansion
- Training the business’ staff in conducting market analysis and market planning
- Encouraging business to focus resources in marketing
- Creating access to training for businesses interested in learning more about marketing concepts to help them expand their market reach
- Being the only program offering business-to-business marketing assistance to individual companies and through workshops

Goals and Measurements:
The Montana Marketing Technical Assistance Partnership measures its success by documenting…..

- Jobs created and retained by companies receiving assistance
- New sales generated by companies receiving assistance
- Training provided to company staff in business-to-business marketing enabling them to capture ever greater market share in their product lines

Risks if Program not Funded

Failure to renew funding for the program would result in…

- Loss of a competitive advantage for companies lacking marketing expertise
In 2011 Montana companies sold $2.46 billion in combined exports to destinations across the globe.
The Food and Agricultural Development Centers Program:
The Montana Food and Agricultural Development Center Program, authorized by the 2009 Montana Legislature, is a statewide network of four centers. Its purpose is to 1) increase Montanans’ capacity to produce food, farm-derived renewable energy, and other value-added agricultural products; retain in the state’s local communities a greater share of consumers’ expenditures for food, energy, and other value-added agricultural products, and make the end products of Montana agriculture more accessible to Montanans and others.

Need for the Program:
The businesses targeted by this program have a need for services that are unique to them, particularly related to product development, testing, labeling, and regulatory compliance. The regulatory environment for both the food and energy sectors is demanding and complex, necessitating affordable access to specialized expertise, training, planning, approvals and certifications.

In FY12 and currently, the state’s four food and agricultural development centers are located at:
- Bear Paw Development Corporation, based in Havre;
- Beartooth RC&D, based in Joliet;
- Headwaters RC&D, based in Butte and Dillon;
- Mission Mountain Food & Cooperative Development Center housed at Lake County Community Development Corporation, based in Ronan

Food businesses drive growth: In SFY2012, 79 percent of all network clients were food businesses, up 6 percent from the previous biennium. Over three-quarters of all new clients during FY12 were food clients.

Program Goals: Through the statewide network of four centers, the Montana Food & Ag Development Network will continue to:
- Provide facilities and technical expertise for product development, testing, analysis, labeling
- Offer training in regulatory compliance and safety planning and implementation
- Provide an affordable pilot plant and food processing options
- Educate on industry dynamics & technologies
- Analyze changing markets, particularly in the food and energy sectors
- Offer access to financing
- Assist with cooperative development, business planning & development; facilitate business networking

Risks if Program is Not Continued:
Failing to renew funding for the Montana Food and Agricultural Development Network would...

- Slow development of Montana’s growing food manufacturing sector, for which this program provides unique and necessary services
- Slow the growth in labor income attributed to Montana’s food manufacturing growth
- Make more difficult small business’ ability to comply with food and energy product and process safety requirements
- Inhibit the start-up of new food, farm-based energy and other value-added ag businesses
- Increase the likelihood of failure for those entrepreneurs in the food and energy sectors that would otherwise lack access to affordable facilities, training and other tailored assistance that the Food and Ag Centers uniquely provide.

Montana Department of Commerce
FOOD AND AGRICULTURAL CENTERS

SUCCESS STORIES—PARTNERSHIPS THAT WORK

Das Kuchenhaus Bakery
Bridger, MT

Resources used:
* USDA/RD RBEG Grant  * BEAR Program
* Growth through Ag  * IWT Grant

IMPACT
• Targeted marketing plan = business growth
• Accounting training
• Packaging design
• Increased sales contracts
• Trailblazer Bars offered to 3 million visitors annually in Yellowstone National Park

Dell Mercantile & Meat Processing
Dell, MT

Project: Business growth and expansion

IMPACT
• State inspected facility for area ranchers to access
• Jobs in a struggling rural area
• 2,000sq.ft. building to allow for processing of 400 animals per year.

Earl Fisher Biofuels
Chester, MT

Project: Montana made bio-diesel available for rail and commercial use.

IMPACT
• Ezzie’s Wholesale, downtown Havre, unveiled first commercial biodiesel pump using Earl Fisher Biofuels
• North Central Montana Transit buses filled tanks with biodiesel blend on March 6, 2012.

Montana Department of Commerce