

Comprehensive Economic Development Strategy

2023



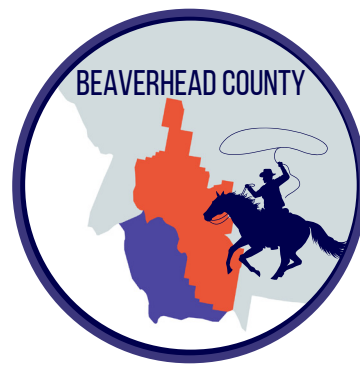
headwaters

RESOURCE CONSERVATION DEVELOPMENT





Anaconda-Deer Lodge City-County



Beaverhead County



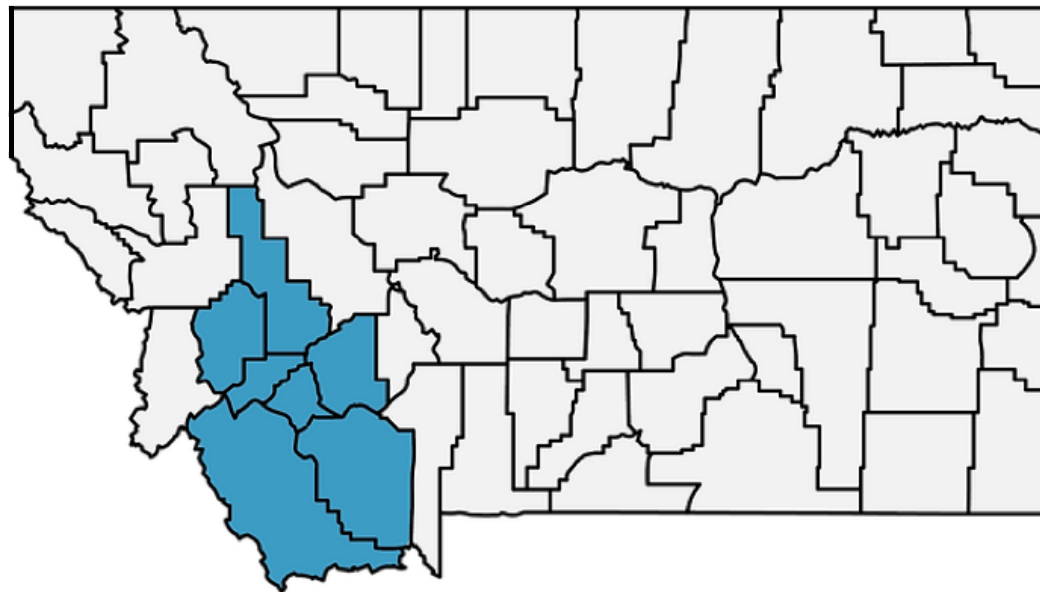
Butte-Silver Bow City-County



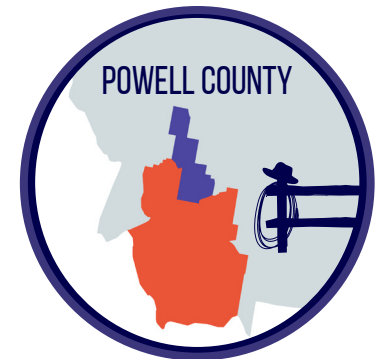
Granite County



Jefferson County



Madison County



Powell County

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TABLE OF CONTENTS

Strategy Committee & Headwaters Board.....	Page 1-4
About Headwaters RC&D	Page 5
Mission Statement.....	Page 6
Headwaters RC&D's Programs	Page 7
Summary Background.....	Pages 8-9
The Seven Counties	Page 9
Southwest Montana at a Glance.....	Pages 10-38
Survey Comments	Pages 17-18
Housing	Pages 19-25
Workforce	Pages 25-26
Childcare	Page 27
County Snapshots	Pages 28-34
Other Regional Plans.....	Pages 35-37
Economic Development Partners.....	Page 38
SWOT Analysis	Pages 39-42
Strategic Direction and Action Plan	Pages 43-59
Objectives / Action Items / Action Plan	Page 43
Vision Statement	Page 43
Priority Projects.....	Pages 51-52
Funding Opportunities & State of Montana Partnership.....	Page 53
Resilience.....	Pages 54-59
Evaluation Framework.....	Pages 60-62
What Did We Learn from Our Regional Stakeholders?	Page 60
Our Process	Page 63
End Notes.....	Page 64

ABOUT HEADWATERS



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Rick Edwards, Board Chair, Headwaters RC&D Area, Inc.
Eric Seidensticker, Jefferson Local Development Corp.
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Gail Leeper, Mayor, City of Drummond
JP Gallagher, Chief Executive, City of Butte
Marilyn Ross, Vice Chair, Town of Twin Bridges
Dan Sager, Powell County Commissioner
Amanda Cooley, Powell County Planner
Gerry Keogh, Jefferson Valley Conservation District
Jordan Green, CAO, Town of Deer Lodge
Cory Kirsch, Commissioner, Jefferson County
Blanche McClure, Commissioner, Granite County

About Headwaters RC&D

Headwaters RC&D Area, Inc. was formed in 1973, and is comprised of seven counties in Southwest Montana. Teamwork has been the driving force behind the success of Headwaters RC&D, a State of Montana-recognized CRDC. Success in any regional effort requires the participation and involvement of its citizens, and we've been fortunate to have excellent participation from stakeholders from throughout the region.

Headwaters, a grass roots organization, initiated and sponsored by local government, expands economic and social opportunities through wise use and development of both human and natural resources.

In 1993, the Headwaters area was designated an Economic Development District (EDD) by the U.S. Department of Commerce, Economic Development Administration. Headwaters plays a significant role in resource conservation and economic development in Southwest Montana. Since its inception, sponsors have worked together closely to seek solutions to local problems.

Headwaters Economic Development Committee maintains a Comprehensive Economic Development Strategy (CEDS), and assists with the development of small business, food and ag, tourism, workforce, PTAC, Brownfields, and other economic and social opportunities; it also assists communities in planning, public works projects, and coordinating public and private investments.

The membership of the Headwaters RC&D/EDD is comprised of representatives from nine conservation districts, seven counties, fourteen municipalities and at-large members. At-large members represent local development corporations, small businesses, minorities, tourism, labor, industry, lending institutions, farming and ranching, and any other interested groups or individuals.

The Headwaters team consists of 10 economic development strategists, from varying backgrounds, but all working towards the common goal of bettering our region. Read on to learn more about the programs we offer and the benefits we work to deliver on.

Mission Statement

Headwaters envisions a thriving and robust economy for Southwest Montana, achieved through dedicated outreach to our region, where relationships and trust are fostered to understand the needs of each unique community, and is committed to developing and supporting community-driven economic enhancement partnerships, strategies, and practices.

Headwaters RC&D's Programs

Capital Services – One of the main goals of our organization is to provide business assistance with financing and access to capital, for a business startup or expansion, and as gap financing. We don't compete with banks, but rather, take some extra risk on a deal when a bank might not be willing to. Our loan programs are disbursed from a number of different funding sources.

Food and Ag Development Center - Headwaters RC&D's Food and Ag. Development Center is one of eight centers located inside of our state's borders. The Montana Food and Agricultural Development Center (FADC) Network helps Montanans innovate and grow businesses that produce and commercialize food, agricultural and renewable energy products, and processes, while creating wealth and jobs in our communities and on our farms and ranches. The centers – located throughout Montana – operate as a statewide network serving community-based businesses. The centers support economic development by ensuring that more of the state's food, agricultural and energy dollars circulate in Montana. The network provides training, coaching and technical assistance, including product development, testing and analysis, food processing, market research, access to financing, education on industry dynamics and technologies, regulatory compliance training, business planning and development and cooperative development.

Grant Writing Assistance – Headwaters partners with both state and federal agencies on grant opportunities that must be submitted on a client's behalf by a designated Economic Development District or Organization. In addition, we'll often partner with clients to assist in writing grants for local dollars, and help to search out other grants that may benefit our clients in a myriad of ways, with projects ranging from planning to legal services and from job creation to opportunities for female entrepreneurs.

Small Business Development Center – Our mission is to provide tools and guidance to help small businesses succeed. For any individual that is looking to start a new business or expand their existing business, the SBDC network is the best place to start. Headwaters is part of a statewide network of resource and technical service providers that assist both start-up and existing businesses. The SBDC focuses on free one-on-one counseling and low-cost training in areas such as financial analysis, providing step-by-step assistance in writing business plans, strategic planning, loan packaging, financial projections, and market research to help small businesses achieve their goals of growth, innovation, and success.

Specialty Crop Block Grant Program - The purpose of our Specialty Crop Block Grant Program (SCBGP) is to enhance the competitiveness of specialty crops for producers from throughout our seven-county region. Specialty crops are defined as "fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture)."

Procurement Technical Assistance Center (PTAC) - PTAC helps businesses by helping to identify which agencies and offices may need their products or services; how to connect with buying agencies and offices; determining whether they are ready for government opportunities and how to position themselves to succeed. Additional assistance includes how to navigate solicitations and potential funding opportunities; what steps to take upon receiving notifications of government contract opportunities.

SUMMARY BACKGROUND

The EDA defines economic development as creating the conditions for economic growth and improved quality of life by expanding the capacity of individuals, businesses, and communities to maximize the use of their talents and skills to support innovation, job creation, and private investment.

We at Headwaters recognize that the stakeholders in the healthy, vibrant communities located throughout our region hold the keys to that support, and we work tirelessly to connect with them on the economic issues that matter most to our slice of Southwest Montana. As an Economic Development District, Headwaters RC&D is tasked with bringing together the public and private sectors to update this strategy every five years and provide an economic roadmap that will diversify and strengthen the regional economy. Continued collaboration is key. Working across social and political boundaries can provide communities, counties, businesses, community groups and residents the opportunity to pool financial, political and social resources, thereby increasing both the region's competitiveness and its resiliency.

Southwestern Montana is rich in both its people and its natural resources. Small businesses, entrepreneurs and natural resource industries are the foundation of the region's economy. Many of the communities in this region of just over 86,000 people are very small; therefore, small businesses and entrepreneurs are often the drivers of local economies. These residents' hard work, innovation and willingness to take risks are what keep rural communities intact and healthy. It is imperative that there is adequate access to capital for these businesses to ensure the region's downtowns and main streets remain the economic and social hubs of the community.

The abundance and health of the region's water, land, forests, minerals and wildlife are perhaps its greatest assets. Agriculture remains a strong sector, and with national trends in food, it will likely become more so over time. Tourism and recreation also continue to grow in importance, with a particular focus on outdoor recreation, the opportunities for which are abundant in this part of Montana.

While natural resource-based industries present many opportunities for the region, this reliance, and the resulting uncertainty caused by forces beyond local control, make the regional economy vulnerable. Therefore, diversification is critical. Other sectors have emerged in recent years that are significant economic drivers, including advanced manufacturing, aerospace technology, environmental remediation and transportation, distribution and warehousing.

Our region is blessed to have several large employers from these sectors that are committed to the region and are helping to build a more diversified, resilient economy. These industries often provide higher wage salaries, which work to improving the social well-being of the region's residents. Many people (with many more moving in every day) choose to live in southwestern Montana because of the land, its people and the way of life.

Promoting the amenities of the region, in addition to creating good-paying, stable jobs, is crucial to our strategy. The 2023 CEDS Update is designed to ensure an integrated, innovative approach to regional economic development that strengthens and builds resiliency in the communities and economy of Southwestern Montana.

The Seven Counties

Beaverhead is Montana's largest county in terms of area, at 5,541.62 square miles. The city of Dillon is the headquarters of the Beaverhead-Deer Lodge National Forest, the University of Montana-Western, and the national franchise office of Great Harvest Bread Company. Beaverhead is the top cattle-producing county in Montana, making agriculture one of the staples of the economy. Dillon is the county seat and largest city in Beaverhead County. Other communities in the county include Dell, Glen, Jackson, Lima, Polaris, Wisdom, and Wise River. ^{DLI1}

Anaconda is known as **Deer Lodge County's** major population center, and was named after the Anaconda Copper Mining Company. Anaconda was the site of the company's smelter, which was shut down in 1980. Since then, tourism and recreation have been important components of the area's economy. The city of Anaconda and Deer Lodge County have a consolidated government known as Anaconda-Deer Lodge. Communities in Deer Lodge County include Anaconda, Galen, Georgetown Lake, Opportunity, and Warm Springs. ^{DLI2}

Silver Bow County and the city of Butte have a consolidated government known as Butte-Silver Bow. Butte, a former copper mining boomtown, was once Montana's largest city. While copper mining continues on a smaller scale, Butte's economy is now driven by more diverse sources, such as health care, retail trade, utilities, and tourism. A town rich in history and possessing one of the largest historical districts in the U.S., Butte has developed a successful "heritage tourism" industry. Additionally, Butte has attracted several technology-based companies to the area. Other communities in Silver Bow County include Centerville, Divide, Melrose, Ramsay, Silver Bow, and Walkerville. ^{DLI3}

Jefferson County is perhaps best known for its health mines, which have been featured in numerous national magazines including National Geographic and Life. Each year, thousands of visitors from all over the world journey to Boulder and Basin to visit one of five mines reputed to relieve pain from ailments such as arthritis, emphysema, bursitis, cataracts, and others. The mines' owners do not guarantee visitors will be cured, but many claim breathing the naturally occurring gas within the mines has greatly improved their health. Boulder is the county seat and largest city in Jefferson County. Other communities in the county include Basin, Clancy, Jefferson City, Montana City, and Whitehall. ^{DLI4}

Madison County is home to the Beaverhead-Deer Lodge National Forest, the Madison and Ruby Rivers, Ennis and Quake Lakes, and many other lakes, streams, and reservoirs. Ennis is the largest city in Madison County, while Virginia City is the county seat. Other communities in the county include Alder, Cameron, Harrison, Sheridan, Big Sky and Twin Bridges. ^{DLI5}

Cattle ranching is one of **Granite County's** dominant industries, along with public administration and food service and accommodations, while lumber mills and education also provide significant employment. Philipsburg is the county seat and largest city in Granite County. Other communities in the county include Drummond and Hall. Tourism is also a driving economic industry in Granite county. Philipsburg is home to a destination ski hill, sapphire mine, blue ribbon trout fishing on Rock Creek, boasting 2000 fish per mile, and world's first Forbes Travel Guide Five-Star guest ranch. ^{DLI6}

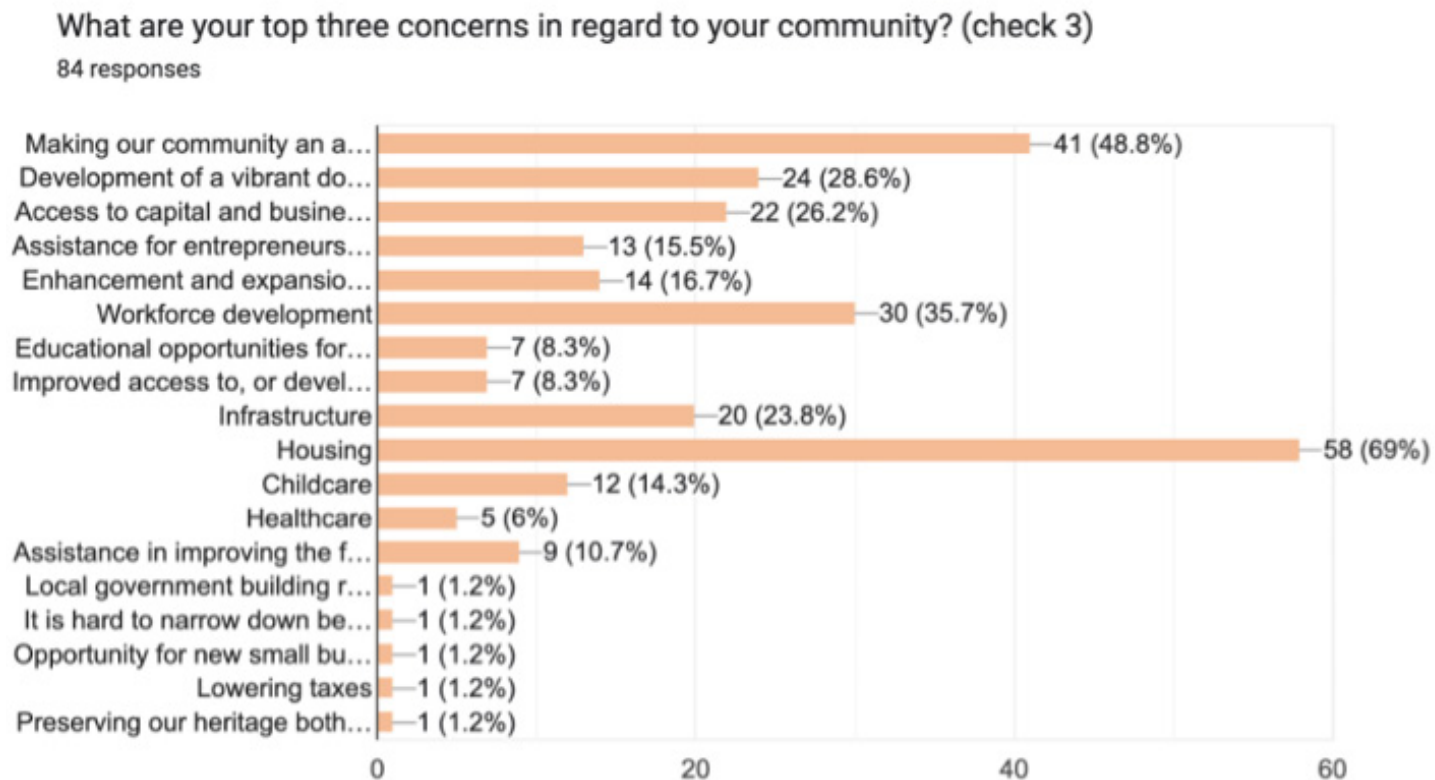
Powell County boasts the most museums and historical collections in the northwest, including the Old Montana Prison, the Montana Law Enforcement Museum, the Montana Auto Museum, Frontier Montana Museum, Desert John's Saloon, the Powell County Museum, and Deer Lodge's 1,500-acre Grant-Kohrs Ranch National Historic Site. A number of resource-based industries call Powell County home, including farming, ranching, mining, timber harvest, lumber and other wood product production, and tourism. Deer Lodge is the county seat and the largest city in Powell County. Other communities in the county includes Avon, Elliston, Garrison, Gold Creek, Helmville, and Ovando. ^{DLI7}

Southwest Montana at a Glance

The Headwaters region is a rural area in Southwest Montana comprised of seven rural counties. It is served by Interstates 15 and 90 and several smaller state highways; rail service from the South and West; and commercial air service into Butte's Bert Mooney Airport. The region also boasts several small airstrips.

One thing we know for certain. Montana changed over the past few years. Demand for our state increased, as evidenced by more people moving in; different people moving in; and higher prices, particularly for housing. Our net migration from July 2020-July 2022 was 3.3 times higher than the 2000-2019 average. The share of folks moving here with a college degree also increased, as did the share of those working from home. BBER/ABMI1

When asked what their top concerns are in regard to their community, housing; workforce development; making their community an appealing and healthy place to live, work and play; development of vibrant downtowns and access to capital and business assistance rose to the top. While it ranked a little lower in our survey, we know that child care shortfalls throughout the region are indeed of great concern.



HELENA, MT – Governor Greg Gianforte announced on April 25, 2022, that Montana's economy grew an inflation adjusted 6.7% in 2021, the seventh largest rate of growth in the country. It also marks the sharpest rate growth in Montana in more than 40 years. Montanans' personal income also grew by 8.5% in 2021, the fastest increase in 15 years.

"Thanks to hardworking Montanans, our state had an economic boom last year, despite inflation and the pandemic. Montanans' earnings increased at the fastest rate in 15 years, and we're producing more than we have in nearly two generations. The Last Best Place is a great place to live, work, raise a family, and do business," Gov. Gianforte said.

According to economic data released this month by the federal Bureau of Economic Analysis (BEA), Montana's real gross domestic product (GDP) grew by 6.7% in 2021, well above the U.S. growth of 5.7%. Real GDP is the inflation adjusted value of the goods and services produced by labor and property located in a given area.

Montana's total GDP was \$59.3 billion in 2021 in current dollars. By industry, the sector with the largest GDP was the finance and real estate industry, with \$11.2 billion in current dollars. The

Demographics

The census estimated population for southwest Montana totaled 86,156 in 2021. Between 2010 and 2021, the population increased 4,179 people or 5.1%. Montana's overall population totaled 1,104,271 in 2021, which increased 113,541 people or 11.5% since 2010. Between 2020 and 2021, southwest MT's population increased 1,171 or 1.4% people which was the fastest annual growth in decades.

Montana and Southwest MT continue to have an older population base. The percentage of the population age 65 and older for southwest MT was 22.7% in 2021, compared to 19.6% for MT, and 16.8% for the U.S. overall.



Population Growth											Total	2010-21
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2010-21
Beaverhead	(43)	147	(54)	33	(37)	159	(26)	(23)	61	(102)	152	2.9%
Deer Lodge	(9)	(62)	44	(139)	(10)	(44)	51	37	48	206	78	2.2%
Granite	4	(37)	27	77	16	116	67	12	(20)	(27)	36	8.8%
Jefferson	(33)	(54)	138	48	71	198	144	166	127	(78)	337	9.3%
Madison	(52)	20	15	153	201	41	206	306	163	(92)	260	15.9%
Powell	65	(6)	(125)	(77)	(83)	44	(52)	135	(66)	80	65	-0.3%
Silver Bow	185	76	114	191	(55)	22	91	(91)	133	267	243	3.4%
Southwest MT	117	84	159	286	103	536	481	542	446	254	1,171	5.1%
Montana	6,788	6,650	9,990	8,499	8,838	10,642	11,725	7,956	8,305	16,070	18,078	11.5%

Fig. 1

Population Estimates - U.S. Census Bureau											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Beaverhead	9,257	9,214	9,361	9,307	9,340	9,303	9,462	9,436	9,413	9,474	9,372
Deer Lodge	9,291	9,282	9,220	9,264	9,125	9,115	9,071	9,122	9,159	9,207	9,413
Granite	3,073	3,077	3,040	3,067	3,144	3,160	3,276	3,343	3,355	3,335	3,308
Jefferson	11,406	11,373	11,319	11,457	11,505	11,576	11,774	11,918	12,084	12,211	12,133
Madison	7,696	7,644	7,664	7,679	7,832	8,033	8,074	8,280	8,586	8,749	8,657
Powell	7,019	7,084	7,078	6,953	6,876	6,793	6,837	6,785	6,920	6,854	6,934
Silver Bow	34,235	34,420	34,496	34,610	34,801	34,746	34,768	34,859	34,768	34,901	35,168
Southwest MT	81,977	82,094	82,178	82,337	82,623	82,726	83,262	83,743	84,285	84,731	84,985
Montana	990,730	997,518	1,004,168	1,014,158	1,022,657	1,031,495	1,042,137	1,053,862	1,061,818	1,070,123	1,086,193

Fig. 2

largest contributor to the overall gain in real GDP was the professional and business services industry, with gains in 2021 of more than \$575 million over its 2020 level. Finance and manufacturing also posted large increases in the value of output produced.

The strongest recovery was posted in the leisure activities industry, which includes hotels, restaurants, ski resorts, museums, and many tourism activities that were hard hit by the COVID-19 pandemic. Growth in these businesses surged in 2021 by 22% over 2020.

New economic data from BEA also revealed Montana's per capita personal income grew by 8.5% in 2021, faster than the U.S. growth of 7.4%. The 8.5% increase marks the largest increase in Montana's per capita personal income since 2006.

Earlier this month, the governor announced Montana's unemployment rate in March fell to a record low of 2.3%, the fourth lowest rate in the nation. Montana's labor force and total employment also reached record highs in March.

Since Gov. Gianforte was elected in November 2020, Montana's unemployment rate has dropped from 4.2% to 2.3%, and nearly 26,000 jobs have been created in the state. ^{SMN1}

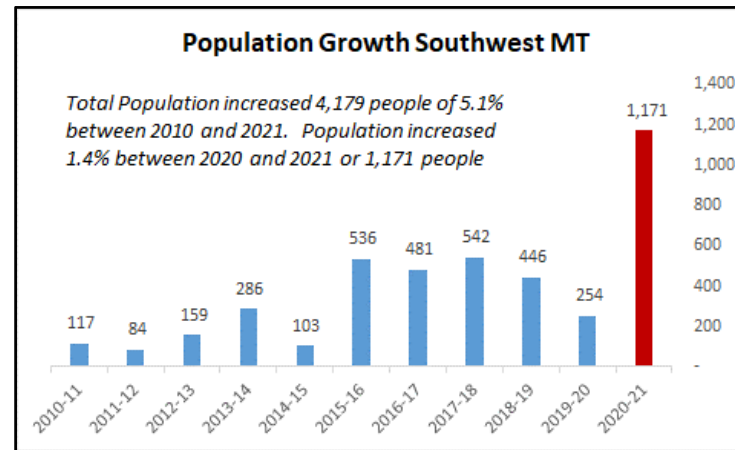


Fig. 3

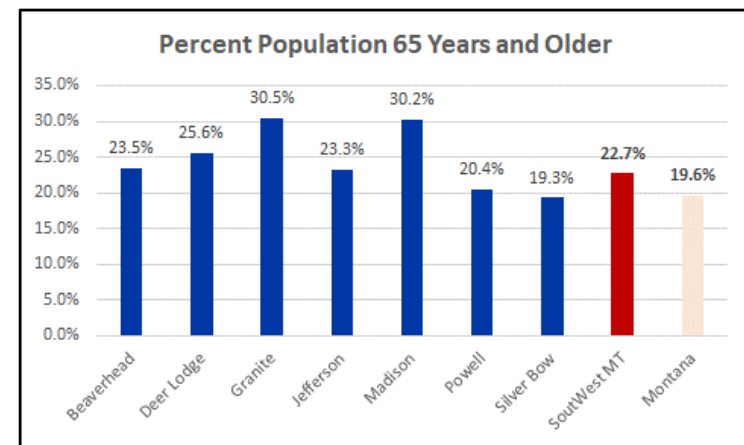


Fig. 4

Inflation and Prices: Beginning in mid-2021 and continuing throughout 2022, inflation and general price increases have been at the highest levels in 40 years. Year-over-year price increases peaked in mid-2022 at 9.1%. The December increase over the prior year was 6.5%. ¹

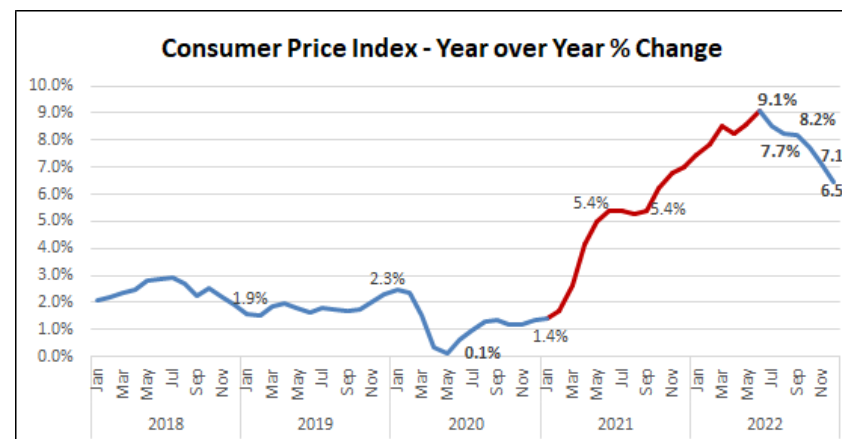


Fig. 5

**Prices on average
in December 2022
are nearly 14%
higher than
December 2020**

Tight Labor Market: The overall labor market across the U.S. remains tight. Unemployment rates continue to be near all-time historic lows in many areas of the country. After a significant reduction due to COVID shut-downs in 2020, employment levels across the country have rebounded to be above the pre-COVID levels. The tight labor market at the national and our local levels make it difficult to fully staff and produce. Nationally the unemployment rate stood at 3.7% in November. MT was at 2.9%. ²

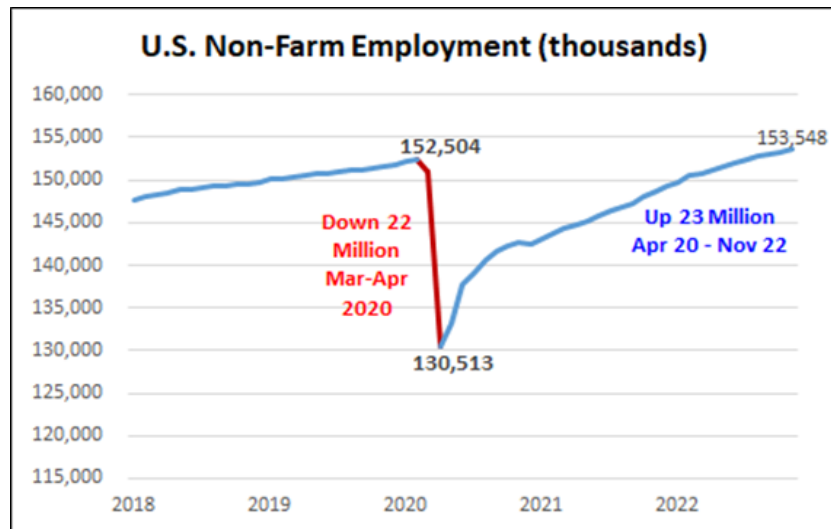


Fig. 6

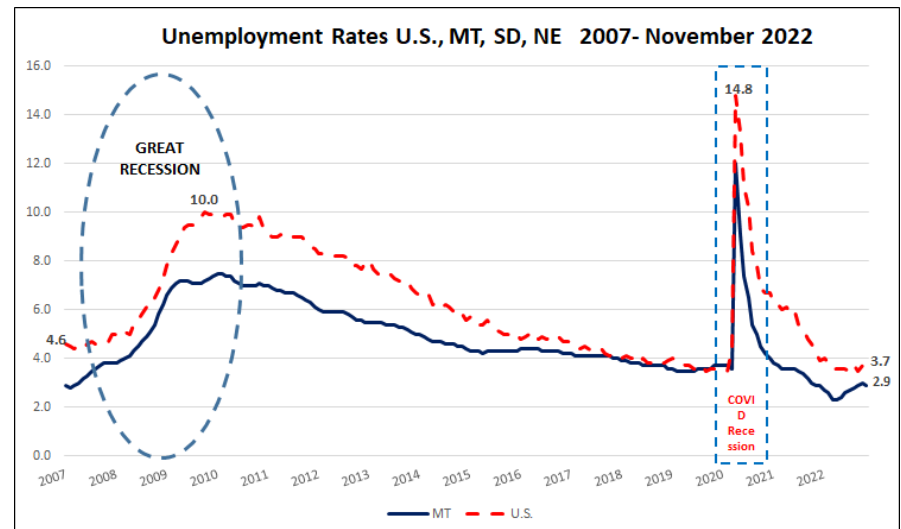


Fig. 7

Southwest Montana's labor force totaled 44,124 workers as of November 2022, of which 43,162 were employed and 962 unemployed. The unemployment rate in southwest Montana stood at 2.2%, which is lower than the overall statewide average of 2.9%. This all-time low unemployment rate signals the continued tight labor market in our areas. Following the COVID shutdowns and employment reductions in 2020, our areas overall saw strong employment growth, increasing 5.8% between 2020 and 2021, and 2.9% between 2021 and 2022. These growth rates exceeded the overall statewide average growth. Since 2019, employment in southwest Montana increased 2,578 workers, with the largest growth coming from Silver Bow, Madison, Jefferson, and Deer Lodge counties.

Labor Force - Bureau of Labor Statistics - November 2022					Employment Growth			
	Employed	Unemployed	Labor Force	Unemp Rate	2019-20	2020-21	2021-22	2019-22
Beaverhead	5,132	89	5,221	1.7%	-3.1%	4.5%	0.3%	78
Deer Lodge	5,191	116	5,307	2.2%	-2.9%	4.2%	5.2%	314
Granite	1,602	50	1,652	3.0%	-6.8%	7.3%	3.6%	54
Jefferson	5,973	131	6,104	2.1%	-0.7%	5.0%	2.5%	388
Madison	4,841	103	4,944	2.1%	-4.2%	11.9%	11.5%	795
Powell	2,913	68	2,981	2.3%	1.4%	3.8%	-3.4%	49
Silver Bow	17,510	405	17,915	2.3%	-2.2%	5.7%	2.0%	900
Southwest MT	43,162	962	44,124	2.2%	-2.3%	5.8%	2.9%	2,578
Montana	551,709	16,449	568,158	2.9%	-1.5%	3.5%	2.6%	24,173

Fig. 8

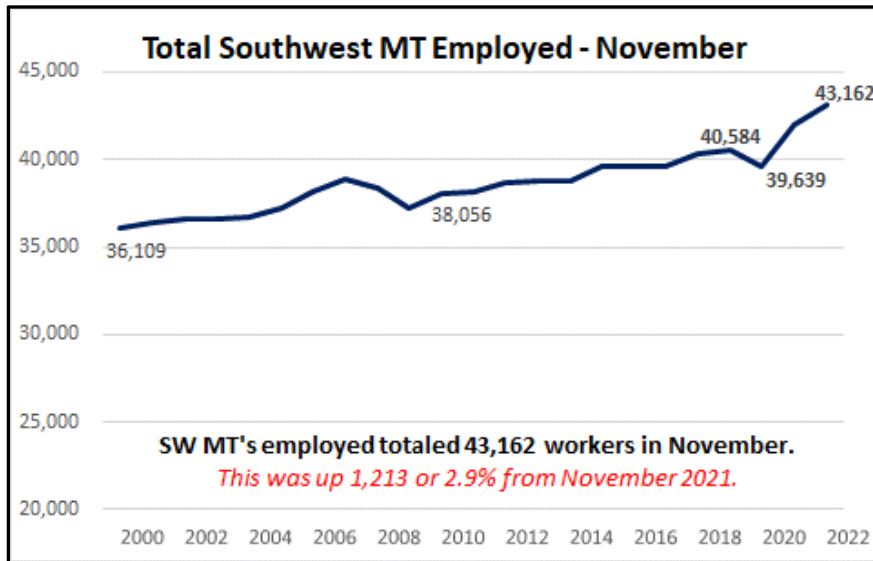


Fig. 9

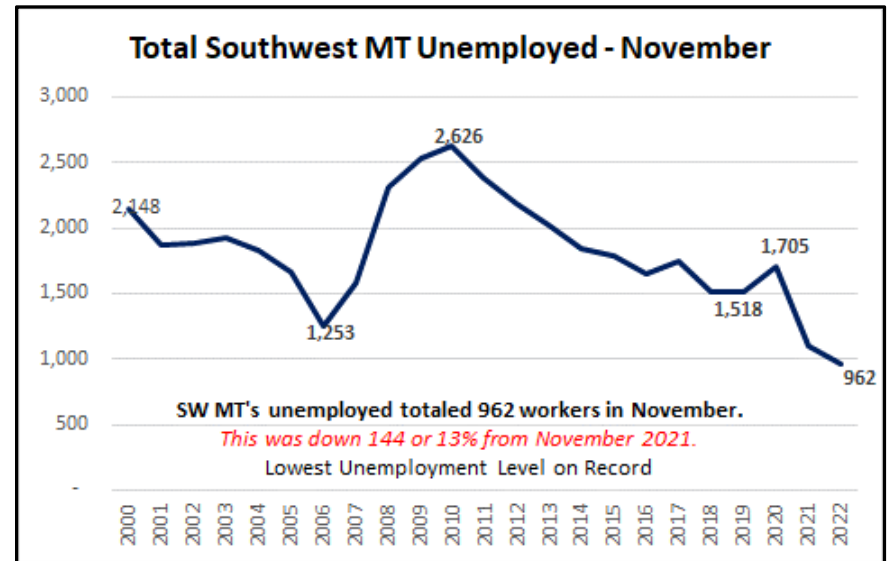


Fig. 10

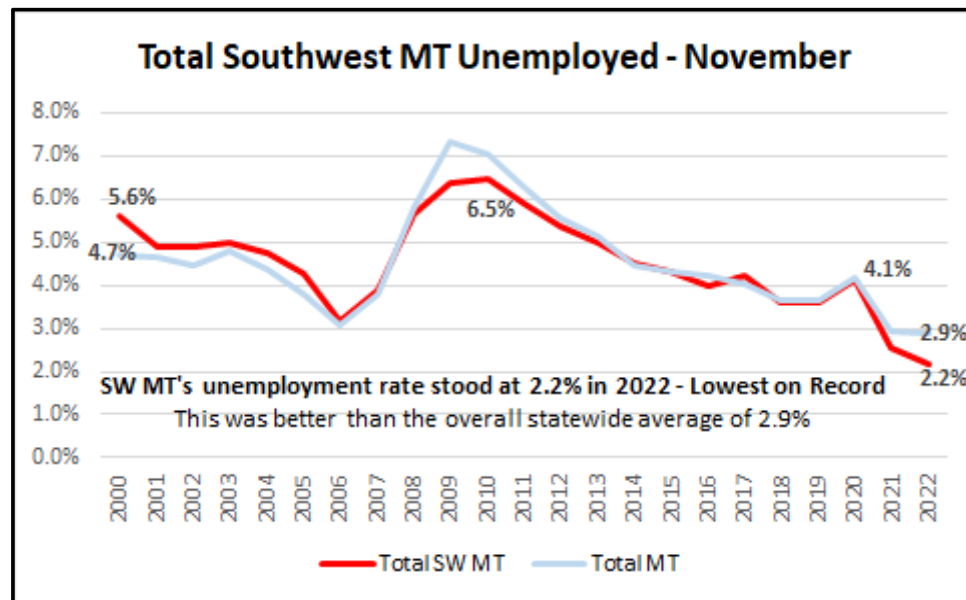


Fig. 11

Southwest Montana's average annual wage totaled \$49,215 in 2022. The average annual wage in southwest Montana was below the overall statewide average of \$53,456. MT's average annual wage ranks 44th of the 50 states nationwide. Since 2018, the average annual wage for southwest Montana increased 23.4%, which was slightly below the overall statewide average increase. Between 2021 and 2022, the average annual wage in southwest Montana increased 8.1%, which was faster than the overall statewide average increase.

Average Annual Wage - Bureau of Labor Statistics - Q2								
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2018-2022</u>	<u>2021-22</u>	
Beaverhead	\$ 35,308	\$ 36,816	\$ 40,352	\$ 41,132	\$ 43,472	23.1%	5.7%	
Deer Lodge	\$ 39,364	\$ 40,456	\$ 44,772	\$ 45,396	\$ 50,492	28.3%	11.2%	
Granite	\$ 31,824	\$ 32,188	\$ 36,296	\$ 36,504	\$ 42,848	34.6%	17.4%	
Jefferson	\$ 42,016	\$ 41,080	\$ 44,096	\$ 45,708	\$ 48,984	16.6%	7.2%	
Madison	\$ 43,160	\$ 41,548	\$ 53,872	\$ 51,480	\$ 56,732	31.4%	10.2%	
Powell	\$ 39,000	\$ 38,324	\$ 43,004	\$ 45,448	\$ 48,984	25.6%	7.8%	
Silver Bow	\$ 40,612	\$ 41,184	\$ 44,928	\$ 46,020	\$ 49,140	21.0%	6.8%	
Southwest MT	\$ 39,876	\$ 40,076	\$ 44,802	\$ 45,540	\$ 49,215	23.4%	8.1%	
Montana	\$ 42,432	\$ 43,784	\$ 47,736	\$ 49,764	\$ 53,456	26.0%	7.4%	

Fig. 12

Southwest Montana has a slightly higher percentage of the overall population that falls below the poverty level at 12.2%, compared to the overall statewide and United States average. Overall, southwest Montana has an educated population, in-line with the overall statewide average.

Looking Ahead

Southwest Montana and Silver Bow County have seen recent strong growth in population and employment. The unemployment rates across southwest Montana are at historic low levels. Although lagging behind the overall statewide average, recent growth in wages has outpaced the overall statewide average.

And, while we found that the overall macro economy and monetary policy will dampen growth across the country and in our areas in 2023, we are expecting growth to continue.

- Residential housing development underway. New subdivisions being developed. This could slow some with the rising interest rates. Supply challenges have hindered growth historically.
- Montana Connections continues to grow with the addition of the Murdoch's distribution center, a \$25M National Guard campus, and growth at Port of Montana vehicle distribution center, which will all increase population and job opportunities in our area.
- Health Care facilities continue to expand throughout the region.
- Copper and Moly prices have been strong, and mining activities continue to add overall base.
- Festivals resumed following COVID, and filming of the Yellowstone series "1923" has brought additional jobs and spending to the area.
- Overall, the area has a well-diversified economy driven by major employers such as NorthWestern Energy, Sectors of Big Sky Ski Resort, St. James Healthcare, Montana Tech, Town Pump Corporation, Montana Resources, REC Silicon, Montana Precision Products, CCCS, Atlas Power, Montana State Prison, Barretts Minerals, along with Anaconda area development, including The Forge Hotel, Murdoch's, small retail growth, and other development in each of our communities.

We expect unemployment rates to come up some from historic lows due to slow-down in finance/banking, new construction due to rising interest rates, and technology sectors. Following the national trend, mortgage demand and home sales have slowed. Over the long-run, southwest Montana and Silver Bow County are poised for continued growth in population, jobs, and earnings.

The expected continued job growth, coupled with a return to normal unemployment and unemployment rates will drive labor force growth and continued growth in population. Overall, population is expected to grow slightly more than 1% per year.

Earnings and Demographics - Census Bureau				
	<u>% Poverty</u>	<u>Med. Household Income</u>	<u>High School Grad or higher</u>	<u>Bachelors of higher</u>
Beaverhead	12.7%	\$ 51,048	94.5%	33.1%
Deer Lodge	14.6%	\$ 44,809	90.7%	22.5%
Granite	11.7%	\$ 32,389	91.0%	32.8%
Jefferson	7.4%	\$ 72,500	94.5%	35.8%
Madison	9.1%	\$ 56,410	96.4%	31.9%
Powell	16.9%	\$ 53,111	90.2%	18.8%
Silver Bow	12.9%	\$ 52,311	93.8%	28.0%
Southwest MT	12.2%	\$ 51,797	94.0%	29.0%
Montana	11.9%	\$ 60,560	94.4%	33.7%
U.S.	11.6%	\$ 69,021	88.9%	33.7%

Fig. 13

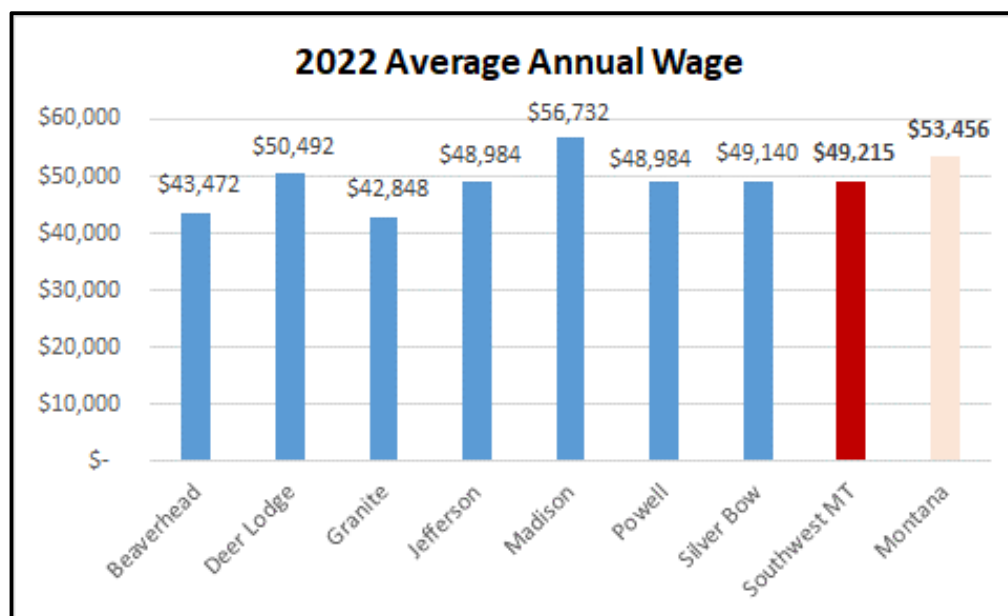


Fig. 14

Survey Comments

Following the COVID-19 pandemic, much has changed in our seven-county region. Many communities are overwhelmed by an increase in new residents and tourists/visitors, with land and housing prices soaring due to people moving here. Montana was truly 'discovered' in the pandemic, and the rush of newcomers has put a strain on resources. A lack of housing that people can afford is an oft-noted part of the problem, particularly the high cost of affordable workforce housing. Some feel we are doing poorly overall as a region, mainly due to the housing situation, though it's certainly not a 'Southwest Montana-only' issue. No housing = no growth, and that's a genuine concern as we work to attract new businesses.

There is consensus on some topics. Workforce, childcare and housing are all areas in which the struggles are real. With others, it depends on the community. Some residents feel that their particular community is thriving, and didn't necessarily feel a tremendous impact during the pandemic, but others have not fared as well.

While communities had varied and somewhat unique responses to issues they struggle with, we found that it was consistently noted for each community that the abundance of, and opportunity for, our natural beauty and outdoor recreation possibilities, and remaining a relatively low-cost place to live compared to other regions, make southwest Montana an appealing place to live.

Some are seeing a resurgence in good fortune due to the tourist economy (though Philipsburg's resources are strained, with a possible over-abundance of tourism), and folks moving in have added positively in some ways to the economy through spending and home purchases, though are not always contributing to the workforce as they're often working remotely for out-of-state companies.

Deer Lodge residents lamented the limited options for employment, housing and childcare, which leaves people to seek greener pastures elsewhere, though some felt that presence of the prison does fill that need for stable employment, along with the plethora of museums and tourist attractions.

Anaconda residents lauded their skate park (both its existence and online presence that drives strong use) and encouraged ongoing work at the Anaconda State Park (currently with limited accessibility, and not enough awareness of it as a State Park).

The Economic Impact of Outdoor Recreation in Beaverhead County

Outdoor recreation in Beaverhead County spans a wide variety of activities, including big game hunting, upland game bird hunting, hiking, camping, rafting, mountain biking, and angling. This study represents a comprehensive effort to assess the size of that total economic contribution. We have gathered and assembled data on the size and scope of measurable outdoor recreation in Beaverhead County.

The activities of hunting and angling in Beaverhead County ultimately produce an economy with:

- 451 more jobs, spread across the state in a wide-ranging spectrum of industries.
- \$74 million more each year in income received by Montana households.
- \$167 million each year in additional output.
- More than 2,000 additional people attracted to, and retained, to live in our state. ^{BBER1}

Residents of Twin Bridges have long waited for redevelopment of the former State Children's Center Orphanage, and there continues to be interest in redeveloping that, though nothing has been solidified.

This comment, which could apply to Butte or Anaconda, was the lone response we received on the topic of cleanup, and that is that we are a Superfund site and it is a detractor to businesses moving here, families moving here. More visible movement on that, jobs to get that done, ways to get it done faster, will make us look more attractive from many viewpoints.

There were several responses calling for a strengthening of existing businesses with housing and childcare, and once they've been supported, then look for expanding economic development. Others urged us to 'think creatively' about seeking new businesses, to find those that will be able to thrive with the region's natural obstacles.

Workforce items mentioned included work-from-home tech jobs (live here, work elsewhere); addressing the labor shortage; and solving childcare issues that keep many from being able to work outside the home.

Childcare was mentioned as a very big concern, and we're happy to be involved with success stories in that sector in three of our communities, which you'll read about further along in this strategy. Still, despite those wins, child care remains a crucial missing component in many of the towns in our region.

In a few of our communities, some companies are seeing people slowly returning to the workforce, and a return to full staffing for the first time in several years. Others noted that in their community, most businesses have reopened and are continuing to operate.

Something we only heard about once in this survey, but that we've heard many times in our listening sessions, is the need for a 'facility where ranchers can have their beef slaughtered and processed locally.' To this end, five economic development organizations in Montana, including Headwaters RC&D, recently applied for, and were awarded, a Meat and Poultry Intermediary Lending Program (MPILP) grant (March of 2023) for just under \$10 million to address this issue. Headwaters will communicate to our region about next steps, throughout the spring.

Finally, how do we prevent brain drain? A lot of our young people are leaving the area, or the state, altogether, after high school or college graduation. Our communities are aging, and we need more 25-45 year olds here, growing families. Another respondent would like to see the younger generation step up and take more of an interest in the community's well-being. Also noted was a desire for 'young leaders who are ready to step in to guide this community forward. We need new ideas, new passion, new expertise.' Higher Education desires included more Research and Development at Montana Tech (Butte) and a Public Service Institute at University of Montana Western (Dillon).

**"There are large gaps in retail -
there are limited options to get
the things you "need"
(specifically housewares and
clothing)."**

~ Survey Respondent



Housing

Between 2010 and 2020, Montana's population grew by 9.6 percent, outpacing the state's housing unit growth of 6.6 percent, according to the U.S. Census Bureau.

Research consensus by the Pew Research Center shows that strict zoning regulations increase costs and reduce growth of newly built homes. The National Association of Home Builders (NAHB) estimated in 2021 that the average cost of regulation in the price of a new home increased by 44 percent in the last decade, from \$65,224 in 2011 to \$93,870 in 2021. NAHB also reported that government-imposed regulations account for 23.8 percent of the final price of a new single-family home built for sale.

Increased consumer demand, rising inflation, and national supply chain breakdowns, are also contributing to the soaring cost of building a new home in more recent years, with private residential construction costs surging 18.4 percent nationally between March 2021 and March 2022, according to the Census Bureau.

Data from Zillow shows that the average Montana home value is \$430,528, up 8.7% over the past year and goes to pending sale status in around 32 days.

The rental vacancy rate in Montana, a key measure of whether housing supply is meeting demand, fell from 5.7 percent in 2010 to 4.4 percent in 2020, according to the Federal Reserve Bank of St. Louis. Low vacancy rates and low for-sale inventory cause rents and home prices to become unaffordable for the average Southwest Montana resident, and appeal more heavily to out-of-state buyers looking to relocate or purchase a second home.

Tourism is a leading industry in Southwest Montana, and short-term rentals have taken over many resort communities in recent years, as property owners often find them more profitable than long-term rentals for year-round residents. This has profound lasting effects on Montanan's ability to find affordable housing, or live in the same community they work in, especially in these destination communities.

Headwaters RC&D 7 County Region

Housing and Affordability Quick Facts

Housing	Beaverhead County, Montana	Butte-Silver Bow (balance), Montana	Deer Lodge County, Montana	Granite County, Montana	Jefferson County, Montana	Madison County, Montana	Powell County, Montana
Population Estimates, July 1 2021, (V2021)	9,524	NA	NA	NA	NA	NA	NA
PEOPLE							
Housing							
Housing units, July 1, 2021, (V2021)	4,959	X	5,519	2,603	5,390	6,391	2,950
Owner-occupied housing unit rate, 2017-2021	67.3%	69.8%	67.6%	78.8%	84.1%	77.4%	66.0%
Median value of owner-occupied housing units, 2017-2021	\$249,000	\$165,600	\$145,000	\$248,200	\$304,300	\$320,800	\$144,000
Median selected monthly owner costs -with a mortgage, 2017-2021	\$1,353	\$1,120	\$1,133	\$1,342	\$1,719	\$1,521	\$1,186
Median selected monthly owner costs -without a mortgage, 2017-2021	\$393	\$444	\$358	\$402	\$432	\$460	\$435
Median gross rent, 2017-2021	\$732	\$704	\$586	\$586	\$798	\$937	\$649
Building permits, 2021	46	X	21	NA	8	9	40
Income & Poverty	Beaverhead County, Montana	Butte-Silver Bow (balance), Montana	Deer Lodge County, Montana	Granite County, Montana	Jefferson County, Montana	Madison County, Montana	Powell County, Montana
Population Estimates, July 1 2021, (V2021)	9,524	34,768	9,491	3,344	12,470	8,917	6,999
PEOPLE							
Income & Poverty							
Median household income (in 2021 dollars), 2017-2021	\$51,048	\$50,661	\$44,809	\$49,077	\$72,500	\$56,410	\$53,111
Per capita income in past 12 months (in 2021 dollars), 2017-2021	\$30,134	\$30,548	\$28,579	\$32,389	\$36,979	\$36,692	\$25,255
Persons in poverty, percent	12.7%	15.7%	14.6%	11.7%	7.4%	9.1%	16.9%



About datasets used in this table

Value Notes

Estimates are not comparable to other geographic levels due to methodology differences that may exist between different data sources.

Some estimates presented here come from sample data, and thus have sampling errors that may render some apparent differences between geographies statistically indistinguishable. Click the Quick Info icon to the left of each row in TABLE view to learn about sampling error.

The vintage year (e.g., V2022) refers to the final year of the series (2020 thru 2022). Different vintage years of estimates are not comparable.

Users should exercise caution when comparing 2017-2021 ACS 5-year estimates to other ACS estimates. For more information, please visit the [2021 5-year ACS Comparison Guidance](#) page.

Fact Notes

- (a) Includes persons reporting only one race
- (c) Economic Census - Puerto Rico data are not comparable to U.S. Economic Census data
- (b) Hispanics may be of any race, so also are included in applicable race categories

Value Flags

- Either no or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest or upper interval of an open ended distribution.
- F Fewer than 25 firms
- D Suppressed to avoid disclosure of confidential information
- N Data for this geographic area cannot be displayed because the number of sample cases is too small.
- FN Footnote on this item in place of data
- X Not applicable
- S Suppressed; does not meet publication standards
- NA Not available
- Z Value greater than zero but less than half unit of measure shown

QuickFacts data are derived from: Population Estimates, American Community Survey, Census of Population and Housing, Current Population Survey, Small Area Health Insurance Estimates, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits.

Researchers at the National Bureau of Economic Research, the University of California, Los Angeles (UCLA) and the University of Southern California concluded that on a national basis “a 10% increase in Airbnb listings leads to a 0.42% increase in rents and a 0.76% increase in house prices.” According to data collected from several booking sites, short-term rental in the US has grown by 800% since 2011, which would roughly equate to a 33.6% rent increase over the same period.

The Governor of Montana recognizes the critical shortage of housing supply, and that many Montana residents struggle to own or rent a home. Governor Gianforte’s Housing Task Force was formed in 2022 to formulate recommendations and strategies to increase the supply of affordable, attainable workforce housing, and regulatory changes and best practices that could be adopted by state agencies and local governments to aid in the housing crisis.

On October 15th, 2022, the task force released a document that identifies measures the Legislature could consider, and the Governor could sign into law, which included 18 specific recommendations which outline three overarching strategies state policymakers can use to address Montana’s housing shortage:

1. Regulatory Reform

Six recommendations suggest the Legislature directly address state and local regulatory barriers to increasing housing supply by streamlining permitting, placing sideboards on local zoning and broadly restoring the rights of landowners throughout Montana cities to build attainable forms of housing, particularly in areas where existing infrastructure can be maximized through infill development.

Recommendations focusing on this strategy include 2A, 2B, 2C, 3A, 3B, 3C in table below.

2. Incentives to Encourage Regulatory Reforms

Four recommendations suggest the Legislature develop incentives to encourage local governments to address regulatory barriers to increasing housing supply. The Task Force contemplates tax credits, grants, trusts, loans or other incentives which would reward local governments that have proactively implemented key regulatory reforms. The Task Force also suggests prioritizing state funding for local government infrastructure to communities which maximize density with regulatory reforms.

Recommendations focusing on this strategy include 4A, 4B, 2D, 2E in table below.

3. Investments in Improved Government Efficiency; Workforce Development; and Private Sector Home Construction

Four recommendations suggest the Legislature prioritize targeted investments that improve state and local government efficiencies, elevate trades and incentivize private sector construction.

Recommendations focusing on this strategy include 4C, 4D, 1A, 2B in table below.

Four other recommendations include encouraging public-private collaboration, requiring reporting for short-term rentals, freeing up state-owned urban land for housing and local tax reform.

**“The affordability of housing
is probably the number one
issue facing working families
in Montana today.”**

~ Montana Governor, Greg Gianforte

Recommendations focusing on this strategy include 4E, 1C, 1D, 3D in table below.

1 ECONOMICS & OTHER SUBTASK GROUP	
1A	Immediate Supplemental Budget Allocations to Three Agencies / Programs
1B	Increase the Supply of Housing
1C	Create Legislation Directed at Development of Certain Lands
1D	Reformation of State Tax Laws May Be Needed to Incentive Housing Development and to Reduce Property Taxes of Residential Homeowners

2 LOCAL ISSUES SUBTASK GROUP	
2A	Prohibit Residential Min. Lot Size Requirements Larger Than 2,500 Sq. Ft.
2B	Allow Accessory Dwelling Units on All Single-unit Residential Lots
2C	Re-write the Montana Subdivision and Platting Act
2D	Enact a State Affordable Housing Tax Credit Tied to Local Zoning Reform
2E	Infrastructure Grants to Support Housing

3 REGULATORY & PERMITTING SUBTASK GROUP	
3A	Amend State Law to Streamline Local Permitting
3B	Remove Bans on Multiunit Residences
3C	Eliminate Regulatory Barriers to Housing Construction within Cities
3D	Require Short-term Rental Reporting

4 CONSTRUCTION SUBTASK GROUP	
4A	Maximize Existing Infrastructure and Infill Development Through Incentives
4B	Prioritize State Investment in Sewer/Water Infrastructure
4C	Expand Investment in Workforce Development
4D	Encourage Innovative Methods in Home Construction
4E	Encourage Collaborative Relationships Between the Public/Private Sectors

In a second report, published in December 2022, the Task Force developed 18 recommendations which outline three overarching strategies state policymakers can use to address Montana's housing shortage:

1. Address Regulatory Capacity and Efficiency

Six recommendations suggest that state agencies and local governments invest time to review regulatory process efficiency with an intent to streamline the current permitting process. Also, identify and modify portions of state code that may limit the ability of local jurisdictions to streamline or expedite routine administrative tasks that add unnecessary delay to building projects. This approach would include looking at occupational licensing and state building code review. Recommendations seek to reduce the time and steps of the required permitting process that may reduce costs to the applicant and stimulate development. Local governments are encouraged to seek opportunities to remove inefficiencies from their development permit review processes. These steps may help increase capacity without requiring higher permit fees or greater levels of public funding.

Recommendations focusing on this strategy include 1B, 2D, 3A, 3C, 3D, and 3F in table below.

2. Information Gathering and Reporting

Five recommendations suggest that state agencies support local governments by providing technical assistance to inventory / study infill development opportunities to increase the awareness of housing markets across the state and to understand the basic functioning of the state's regulatory and approval process. This may include an inventory of eligible under utilized state-owned lands in urban areas that may be appropriate for housing. Gathering and providing this basic information can be used as a benchmark for housing outcomes and regulatory throughput. These metrics may also be used to implement to reduce the costs of development and increase the supply of housing.

Recommendations focusing on this strategy include 1D, 2A, 2B, 2C, and 3E in table below.

3. Use of New and Existing Programs

Seven recommendations suggest that state agencies and local governments invest more resources to develop and enhance a skilled workforce. This investment will ensure people are available and trained to work. Also, recommendations to explore the benefits of innovative construction methods using modern technologies, materials, techniques and building systems/practices. Investigate opportunities to build-out community infrastructure, such as water and sewer systems, roadways, utility connections, traffic control, parks, and public access, etc. Also, look at equitable ways to spread those overhead costs. Recommendations to explore the creation of Community Land Trusts as non-profit organizations to assist with financing new development in a predictable, equitable method. Explore the use of existing state funding that may be targeted to projects located in jurisdictions that have proactively removed barriers to affordability in their zoning Ordinances.

Recommendations focusing on this strategy include 1A, 1C, 2E, 3B, 4A, 4B, and 4C in table below.

1	ECONOMICS & OTHER SUBTASK GROUP
1A	Prioritize Dense Infill Development Over Greenfield Development
1B	Permit Review Efficiencies Through Streamlining Techniques
1C	Appropriate Cost-Share Strategies to Encourage Development
1D	State Technical Assistance to Inventory Local Development Opportunities

2	LOCAL ISSUES SUBTASK GROUP
2A	Gather Key Housing and Regulatory Throughput Metrics
2B	Identify and Modify State Laws to Expedite Administrative Tasks
2C	Formulate a List of Best Practices for Municipalities
2D	Explore Ways to Increase Regulatory Capacity
2E	Create Community Land Trusts (CLTs) for Affordable Housing

3	REGULATORY & PERMITTING SUBTASK GROUP
3A	Streamline the DEQ Permit Review Process
3B	Direct Legislative Loan Program Funds to Eligible Projects
3C	Update Occupational Licensing Rules for Relevant Housing Professions
3D	Update State Building Codes to Optimize Affordability
3E	Inventory of Underutilized State-owned Lands
3F	Streamline the Montana Emergency Rental Assistance Application Process

4	CONSTRUCTION SUBTASK GROUP
4A	Expand Investment in Workforce Development
4B	Encourage Innovative Methods in Home Construction
4C	Maximize Infrastructure Investment and Infill Opportunities

In addition to recommendations from the Housing Task Force, Southwest Montana lawmakers have proposed a “Rent Local” bill, intended to give communities an immediate tool to address housing issues created by the vacation rental industry. HB430 would allow local governments to add a quarter percentage-point on short-term rentals on top of the state’s existing 8% lodging tax. This money (\$0.25 per hundred dollars of revenue) would go to “rent local” programs to incentivize landlords to rent their properties to employees of local businesses at specified rents. This is intended to be a partial solution, paired with building more housing to increase rental inventory aimed at both the workforce and tourists.

An existing Rent Local program in Big Sky, Madison County, converted 21 homes to house 58 workers in its first three months of operation.

Current stats show that job numbers across the country are back to pre-pandemic levels, which is good news. What this means, in general, is that everyone who wants to work, is working. What low unemployment, coupled with job numbers, tells us is that there are not as many people actively seeking jobs, and registering for/ signing-up for unemployment benefits, as there once were. Many have simply taken themselves out of the workforce.

New business recruitment with a smaller available workforce becomes a chicken and egg scenario. We cannot (and will not) stop recruiting based on unemployment numbers (workforce is a problem everywhere) but we are poised for growth, because uniquely, we have a lower cost of living, affordable(ish) housing and a growing population. The large recruitment efforts that we are working on now are game changers. These jobs will require more people to move to our community, bringing the workforce with them. Couple this with current planning for infrastructure extensions and upgrades, and subdivisions now in review, and you have a great scenario for success.

Headwaters and city and county representatives from throughout the region will continue to work on training and development of workforce in partnership with the Career Futures, Highlands College and area High Schools. We’ve made some strides in this area already, but can continue to do more. ~ Excerpted from a Conversation with Karen Byrnes, Butte-Silver Bow Community Development Director

Workforce

Following the pandemic, in 2021 in Montana we started to see a rise in our economic fortunes, including the number of people back in the workforce.

However, in the Headwaters region, the local economy is struggling to find enough workers and there is concern from our survey respondents that our overall workforce throughout the region may be inadequate to support continued expansion of the employment base. On the bright side, this makes for great opportunity in developing workforce training programs that can support new businesses that want to move in, including in the manufacturing space, and also for film industry jobs (production assistants), CDL training, and more.

Montanans responded to the increasing economic opportunity by returning to the labor market. Like employment, Montana’s labor force reached pre-pandemic levels by April 2021. Through the first half of 2022, Montana’s labor force had over 17,000 more workers than it did before the pandemic. Increasing wages incentivized many Montanans to rejoin the labor force while domestic in-migration brought more workers to Montana. This rapid growth in the labor force has not kept up with rising worker demand, however, leading to record lows in the number of unemployed workers and nearly two vacant job openings for every unemployed person. ^{MTDLI1(4)} By March and April of 2022, unemployment rates had fallen to 2.3%, the lowest observation since the data began being collected in 1976.5 The number of unemployed workers dropped as low as 13,097, also a new low. ^{MTDLI2}

Record low unemployment rates spurred investments in productivity and competition for workers, each contributing to increased worker wages. Montana’s productivity rose 1.7% in 2021, being one of only 7 states with accelerating productivity gains through the pandemic. ^{MTDLI3(6)} Montana’s average annual wages grew 5.9% in 2021, the 10th fastest increase in the nation and the second fastest year in history (behind

Top Employers by County:

Powell County's top employers include the following: Deer Lodge Medical Center, Montana State Prison, Sun Mountain Lumber and Rock Creek Cattle Company.

Beaverhead County's top employers include the following: Barrett Hospital & Healthcare, Town Pump, Parkview Acres Care and Rehabilitation Center, Barrett Minerals Inc., University of Montana Western and Legacy Assisted Living.

Granite County's top employers include the following but not limited to: The Ranch at Rock Creek, Discovery Ski Area and the Mungas Company.

Madison County's top employers include the following: Big Sky Ski Resort, Yellowstone Club, Ruby Valley Hospital, A.M Welles Inc., R.L. Winston Rod Company, Yellowstone Talc Mine (Magris) and Madison Foods.

Jefferson County's top employers include the following but not limited to: Ash Grove Cement Company, Elkhorn Health and Rehabilitation, LLC., and Golden Sunlight Mine.

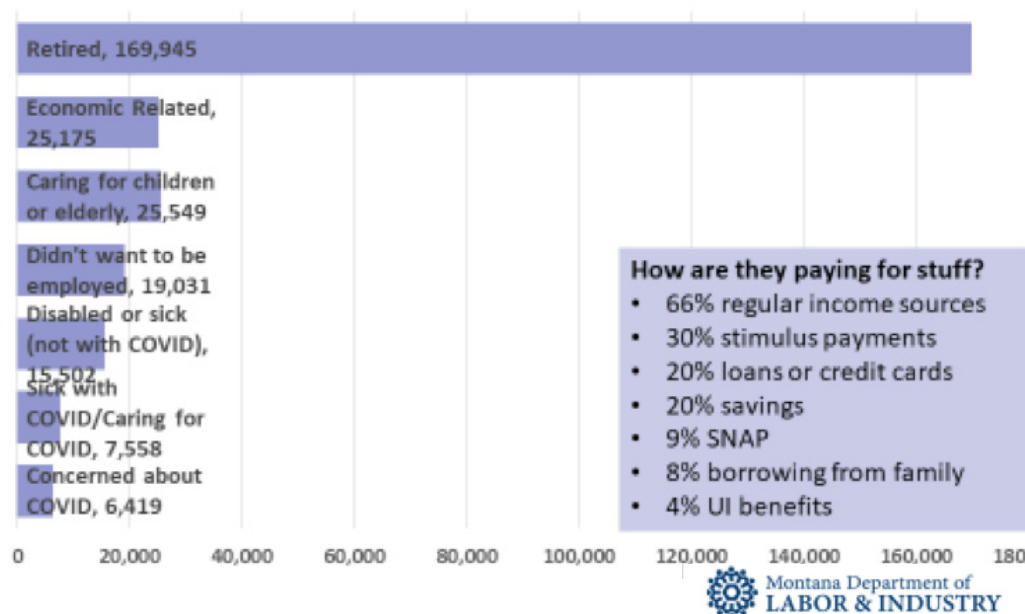
Butte-Silver-Bow County's top employers include the following: REC, NorthWestern Energy, Aware, Inc., Intermountain Health St. James Healthcare, Montana Tech, Montana Resources and Southwest Montana Community Health Center.

Anaconda- Deer Lodge County's top employers include the following: Community Hospital of Anaconda, Aware, Inc., Community Counseling and Correctional Services, and Intermountain Truck Body.

2020). ^{MTDLI4(7)} With an average annual wage of \$51,331 in 2021, Montana ranks 45th among states, the highest ranking since 2000. ^{MTDLI5(8)} Fast growing wages have been a boon to Montana workers, especially as inflation has cut into purchasing power. In 2021, Montana's average annual wage had real growth of 1.3% as it outpaced accelerating inflation. ^{MTDLI6}

Who is not working? (March-April Average)

Source: Household Pulse Survey, U.S. Census Bureau
Average Sample Size includes 737 Montanans per week of 70,910 total respondents (1%)



IDEAS FOR ADDRESSING WORKFORCE NEEDS

- Retain Workers
- Increase Wages or Offer New Benefits
- Re-Train existing employees
- Re-evaluate your recruiting practices
- Automation and Technology Advancement
- Partner with nearby educational facilities
- Expand Access to Childcare for Working Parents
- Remote Workers
- More Job Flexibility
- Reevaluate your Hiring Requirements
- Look for Efficiencies
- Partner with other Businesses
- Involve Employees in Finding Solutions
- Use All Your Networks to Find Candidates
- Improve the Workplace Environment
- Make the Application Process Easy
- USE YOUR NETWORKS TO FIND Folks!

Childcare

Access to affordable, high-quality child care is essential to a healthy economy, allowing parents of young children to engage in the labor force. In Montana, an estimated 32,000 working parents with children under six-years-old rely on some form of child care arrangement to remain in the workforce, which translated to approximately 6% of the state's labor force in 2019. Despite this reliance on child care to meet the state's workforce needs, Montana's parents and businesses have suffered from a lack of availability. Licensed child care capacity in Montana meets only about 47% of estimated demand. The global COVID-19 pandemic has exacerbated this shortage as important public health precautions have reduced the capacity at child care facilities across the state. ^{MTDL18}

In Southwest Montana, several communities in the Headwaters region have begun looking to unique partnerships to find childcare solutions.

One such community is Philipsburg, in Granite County. Philipsburg is a rural, historically blue-collar mining town, which is quickly growing and attracting new, young families, despite being a childcare desert. With significant support and a donated facility from the Philipsburg Rotary Club in 2019, the nonprofit group, Flint Creek Childcare (FCC), has become the only licensed daycare program open to the public in Granite County since 2016, and the only one in Philipsburg for at least the past 16 years.

This program provides child care for 25 families in the community, serving ages 19 months to seven years; has already reached critical capacity in their short three years in business; and consistently has a waiting list for new enrollment. Data collected by the FCC nonprofit board in May of 2022 illustrated the need not only for more daytime enrollment spots for children, but also extended hours, weekend hours, and infant care.

The FCC Board of Directors has been working with the Philipsburg Rotary Club for plans to nearly triple the current square footage of their facility in order to expand their program to include infant care, increase general enrollment, and expand service hours and access.

The Philipsburg Rotary Club, Philipsburg mayor, local contractors, and many owners of local businesses in Philipsburg have stepped up to collaborate, donate, and help raise funds for this expansion project, which is on-track to break ground in the spring of 2023.

A \$1,000,000 ARPA Childcare Innovation grant was also awarded to FCC in September 2022, which will aid in the expansion of FCC's program by assisting with general operating costs, structure upgrades, and the recruitment and retention of high quality, trained staff. This substantial grant, along with the widely-supported community approach, are both critical in fulfilling the childcare needs of Philipsburg and the surrounding communities in Granite County, creating a long-term opportunity for a sustainable and successful child care program.

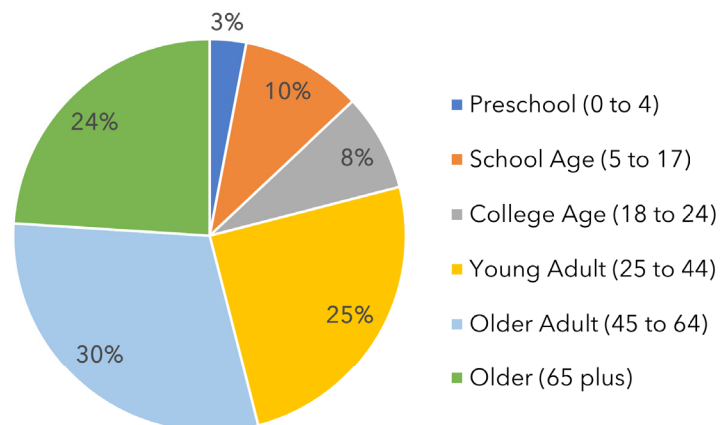
Jefferson County has taken a similar approach to fulfilling childcare needs. A recent survey found there were over fifty children who needed childcare in the Boulder, MT region. Through public-private partnerships, Jefferson County provided ARPA funding to the City of Boulder to purchase an unused school building at Jim Darcy school in Helena. The Boulder Elementary School District agreed to place the building on school property for the purpose of a childcare center.

A group of interested citizens and business persons formed a nonprofit 501c3 corporation called Southwest Montana Youth Partners, Inc. to manage the building and to facilitate the development and operation of the new childcare center. A three-way contract was signed for the operation and management of the building among: Southwest Montana Youth Partners, the City of Boulder and the Boulder Elementary School District. Southwest Montana Youth Partners awarded a contract to Supalla, Inc. for the operation and management of the childcare center. Supalla is a for-profit business, well known for the operation of childcare centers in North Jefferson County and Helena under the name of Discovery Kidzone. Southwest Montana Youth Partners will continue their mission of fundraising for, and promoting, quality, affordable youth programs in southwest Montana, and may soon be taking on another childcare project in Whitehall, MT.

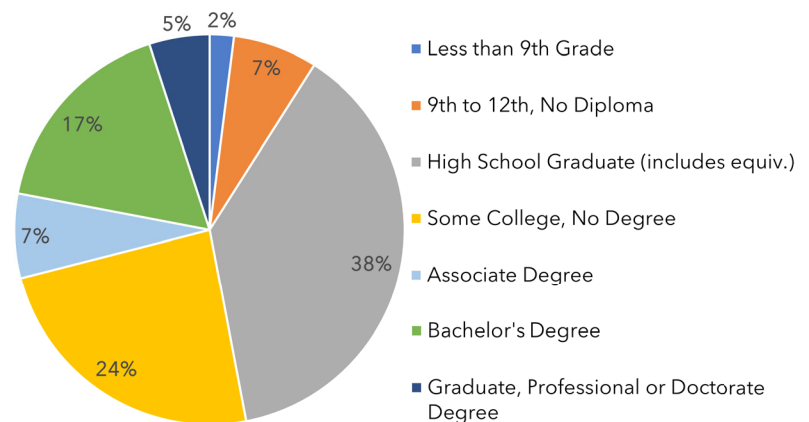


Total Population 2021	9,491
Population Growth or Decline 2010 to 2021	2.10%
Households 2021	4,161
Unemployment Rate Ann. Avg. 2021	3.3
Per Capita Personal Income 2021	\$46,384
Median Household Income 2021	\$45,725
Poverty Rate 2021	14.6
High School Diploma or More - Pct. of Adults 25+ 2021	90.70%
Bachelor's Degree or More - Pct. of Adults 25+ 2021	22.50%
Manufacturing - Pct. All Jobs in County 2021	3.30%
Manufacturing - Avg Wage per Job 2021	\$47,135
Transportation and Warehousing - Pct. All Jobs in County 2021	1.20%
Transportation and Warehousing - Avg Wage per Job 2021	\$40,069
Health Care, Social Assist. - Pct. All Jobs in County 2021	25.70%
Health Care, Social Assist. - Avg Wage per Job 2021	\$61,989
Finance and Insurance - Pct. All Jobs in County 2021	2.10%
Finance and Insurance - Avg Wage per Job 2021	\$41,526

Population Estimates by Age in 2021



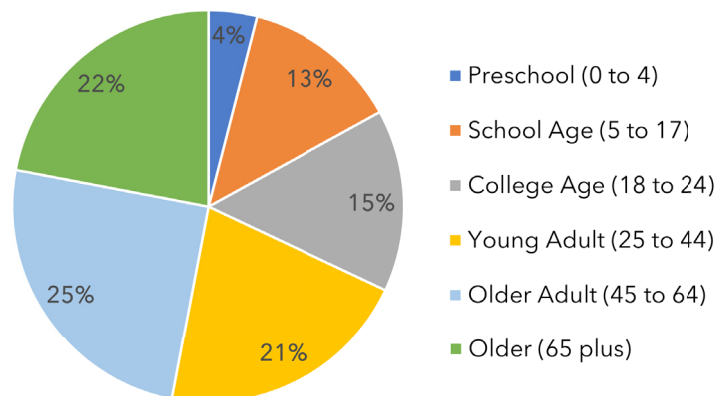
Population's Education Levels in 2021



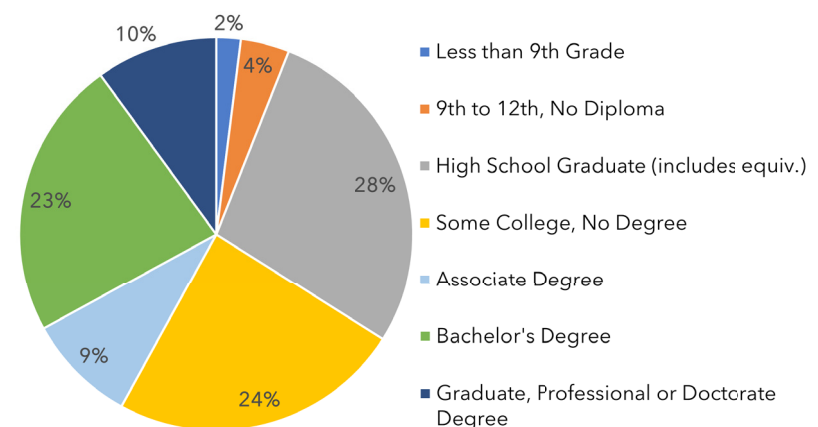


Total Population 2021	9,524
Population Growth or Decline 2010 to 2021	3.00%
Households 2021	3,984
Unemployment Rate Ann. Avg. 2021	2.8
Per Capita Personal Income 2021	\$54,430
Median Household Income 2021	\$53,776
Poverty Rate 2021	12.7
High School Diploma or More - Pct. of Adults 25+ 2021	94.50%
Bachelor's Degree or More - Pct. of Adults 25+ 2021	33.10%
Manufacturing - Pct. All Jobs in County 2021	2.00%
Manufacturing - Avg Wage per Job 2021	\$33,600
Transportation and Warehousing - Pct. All Jobs in County 2021	0.50%
Transportation and Warehousing - Avg Wage per Job 2021	\$47,281
Health Care, Social Assist. - Pct. All Jobs in County 2021	14.50%
Health Care, Social Assist. - Avg Wage per Job 2021	\$46,031
Finance and Insurance - Pct. All Jobs in County 2021	2.40%
Finance and Insurance - Avg Wage per Job 2021	\$75,408

Population Estimates by Age in 2021



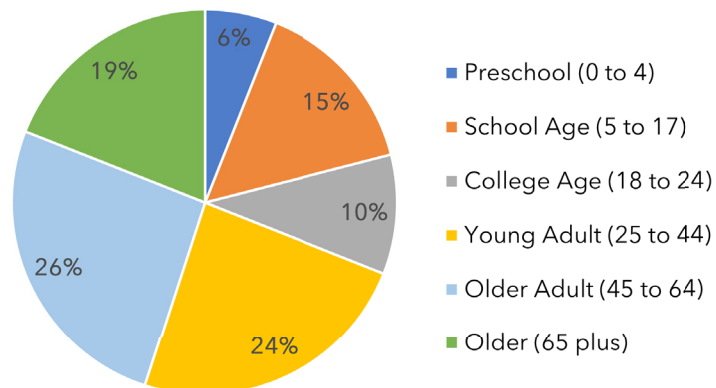
Population's Education Levels in 2021



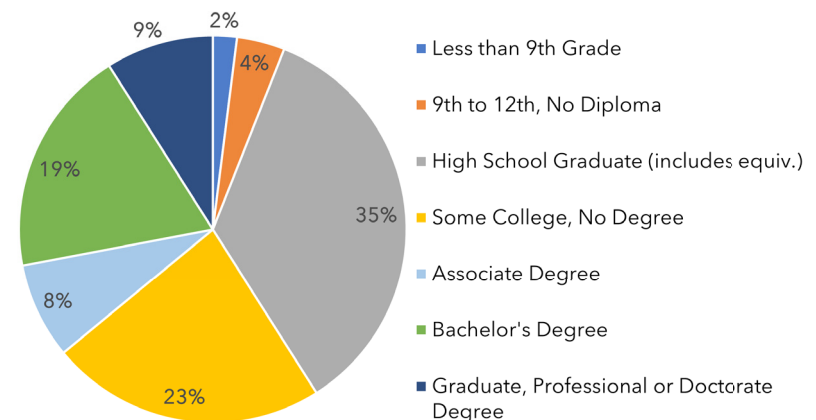


Total Population 2021	35,411
Population Growth or Decline 2010 to 2021	3.50%
Households 2021	15,028
Unemployment Rate Ann. Avg. 2021	3.6
Per Capita Personal Income 2021	\$54,704
Median Household Income 2021	\$52,495
Poverty Rate 2021	13
High School Diploma or More - Pct. of Adults 25+ 2021	93.80%
Bachelor's Degree or More - Pct. of Adults 25+ 2021	28.00%
Manufacturing - Pct. All Jobs in County 2021	4.30%
Manufacturing - Avg Wage per Job 2021	\$58,314
Transportation and Warehousing - Pct. All Jobs in County 2021	3.90%
Transportation and Warehousing - Avg Wage per Job 2021	\$58,364
Health Care, Social Assist. - Pct. All Jobs in County 2021	18.50%
Health Care, Social Assist. - Avg Wage per Job 2021	\$48,581
Finance and Insurance - Pct. All Jobs in County 2021	2.00%
Finance and Insurance - Avg Wage per Job 2021	\$68,065

Population Estimates by Age in 2021



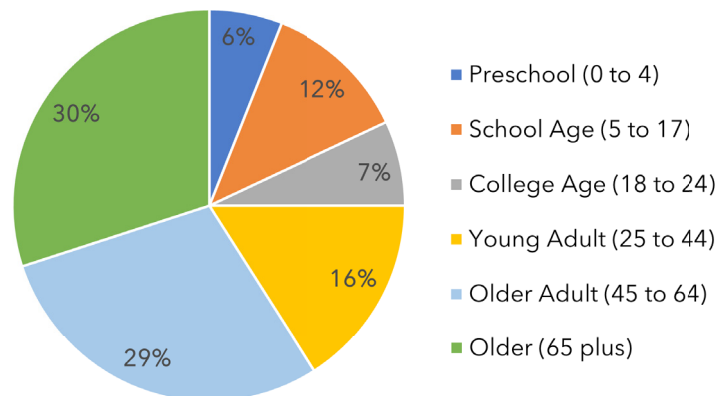
Population's Education Levels in 2021



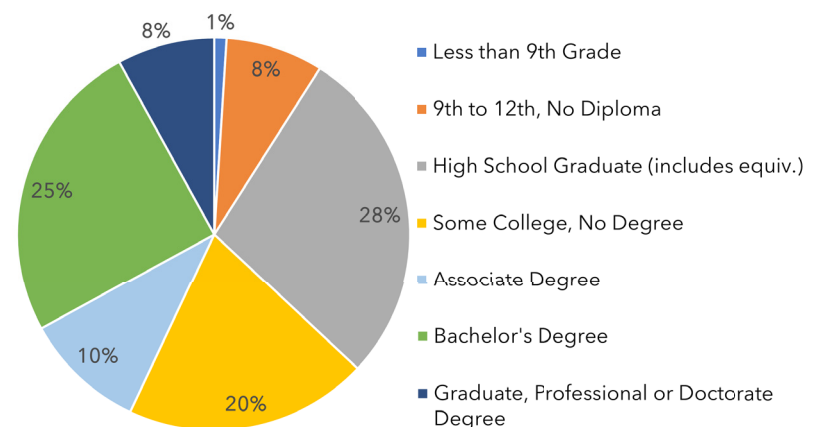


Total Population 2021	3,344
Population Growth or Decline 2010 to 2021	8.60%
Households 2021	1,337
Unemployment Rate Ann. Avg. 2021	4.4
Per Capita Personal Income 2021	\$51,995
Median Household Income 2021	\$52,984
Poverty Rate 2021	11.7
High School Diploma or More - Pct. of Adults 25+ 2021	91.00%
Bachelor's Degree or More - Pct. of Adults 25+ 2021	32.80%
Manufacturing - Pct. All Jobs in County 2021	6.30%
Manufacturing - Avg Wage per Job 2021	\$29,580
Transportation and Warehousing - Pct. All Jobs in County 2021	1.40%
Transportation and Warehousing - Avg Wage per Job 2021	\$57,459
Health Care, Social Assist. - Pct. All Jobs in County 2021	1.50%
Health Care, Social Assist. - Avg Wage per Job 2021	\$12,681
Finance and Insurance - Pct. All Jobs in County 2021	1.40%
Finance and Insurance - Avg Wage per Job 2021	\$69,611

Population Estimates by Age in 2021



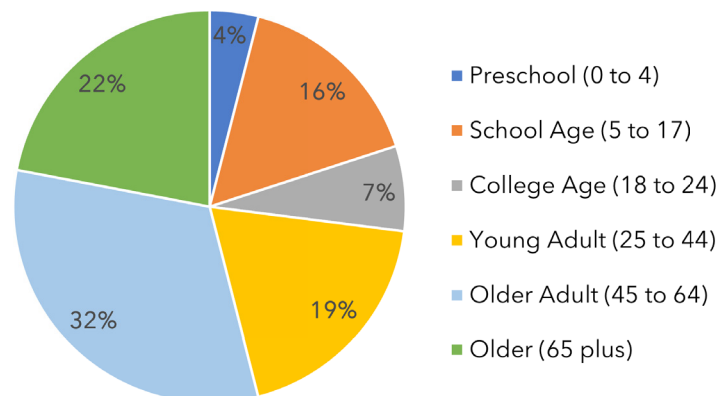
Population's Education Levels in 2021



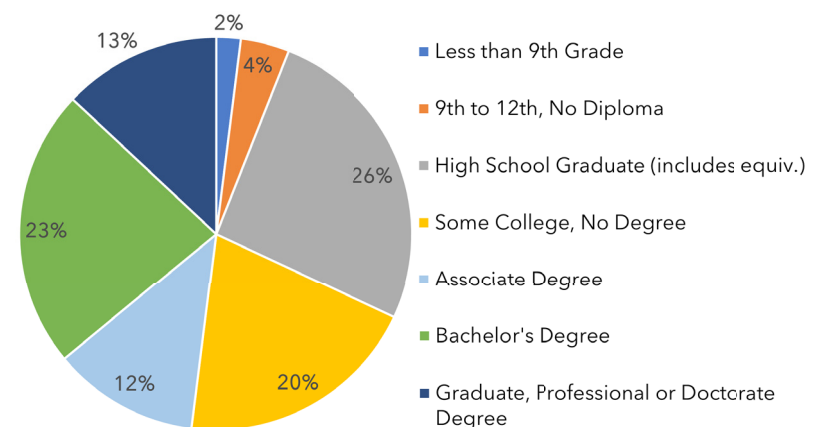


Total Population 2021	12,470
Population Growth or Decline 2010 to 2021	9.30%
Households 2021	4,604
Unemployment Rate Ann. Avg. 2021	3.2
Per Capita Personal Income 2021	\$56,632
Median Household Income 2021	\$68,128
Poverty Rate 2021	7.4
High School Diploma or More - Pct. of Adults 25+ 2021	94.50%
Bachelor's Degree or More - Pct. of Adults 25+ 2021	35.80%
Manufacturing - Pct. All Jobs in County 2021	6.40%
Manufacturing - Avg Wage per Job 2021	\$72,882
Transportation and Warehousing - Pct. All Jobs in County 2021	2.40%
Transportation and Warehousing - Avg Wage per Job 2021	\$32,672
Health Care, Social Assist. - Pct. All Jobs in County 2021	13.30%
Health Care, Social Assist. - Avg Wage per Job 2021	\$33,300
Finance and Insurance - Pct. All Jobs in County 2021	2.10%
Finance and Insurance - Avg Wage per Job 2021	\$56,617

Population Estimates by Age in 2021



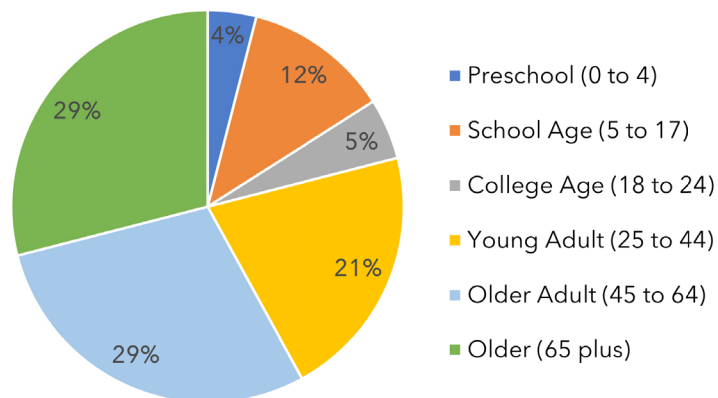
Population's Education Levels in 2021



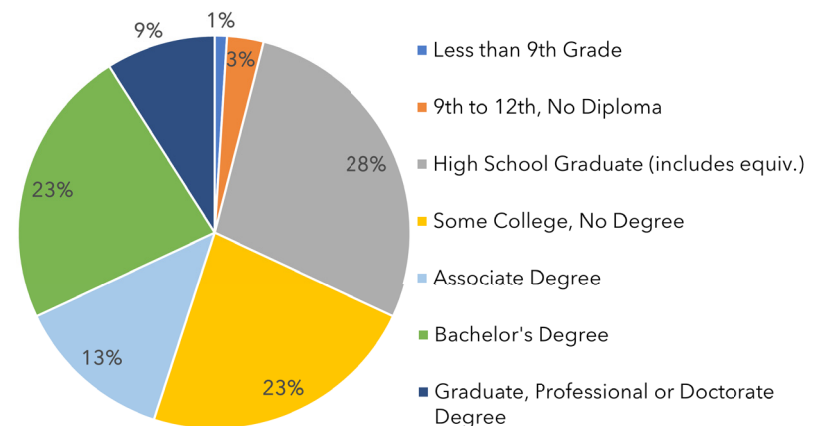


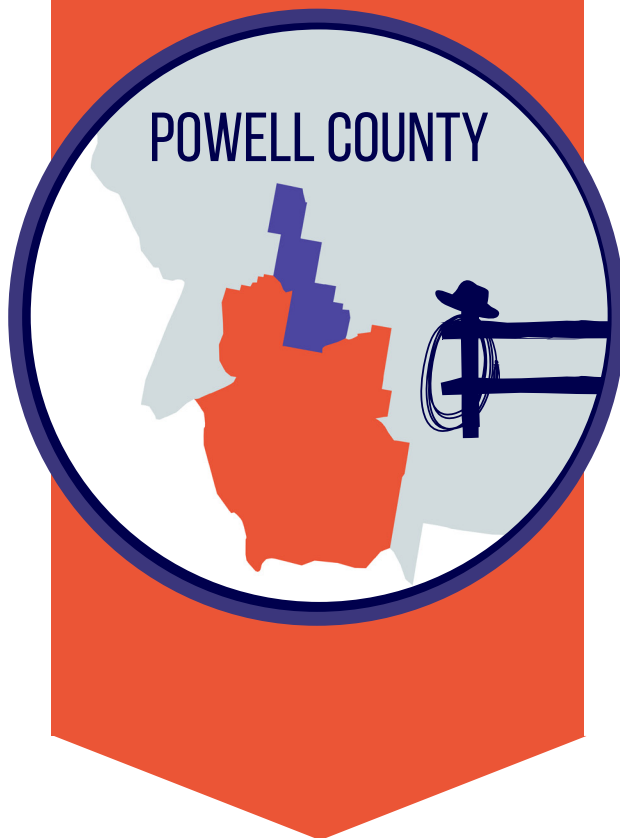
Total Population 2021	8,917
Population Growth or Decline 2010 to 2021	15.90%
Households 2021	3,480
Unemployment Rate Ann. Avg. 2021	3.2
Per Capita Personal Income 2021	\$74,468
Median Household Income 2021	\$62,516
Poverty Rate 2021	9.1
High School Diploma or More - Pct. of Adults 25+ 2021	96.40%
Bachelor's Degree or More - Pct. of Adults 25+ 2021	31.90%
Manufacturing - Pct. All Jobs in County 2021	3.00%
Manufacturing - Avg Wage per Job 2021	\$35,066
Transportation and Warehousing - Pct. All Jobs in County 2021	1.10%
Transportation and Warehousing - Avg Wage per Job 2021	\$42,820
Health Care, Social Assist. - Pct. All Jobs in County 2021	0.00%
Health Care, Social Assist. - Avg Wage per Job 2021	N/A
Finance and Insurance - Pct. All Jobs in County 2021	1.80%
Finance and Insurance - Avg Wage per Job 2021	\$140,780

Population Estimates by Age in 2021



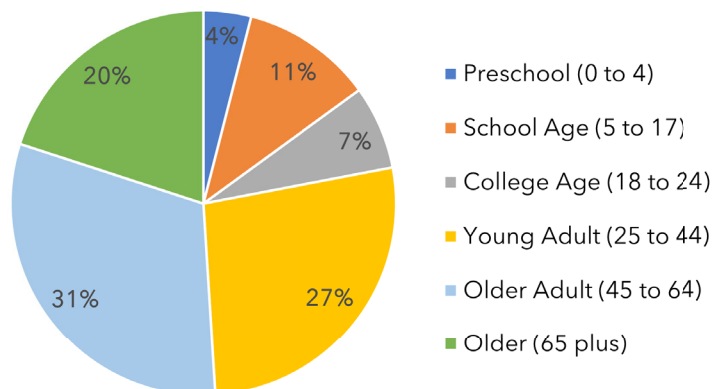
Population's Education Levels in 2021



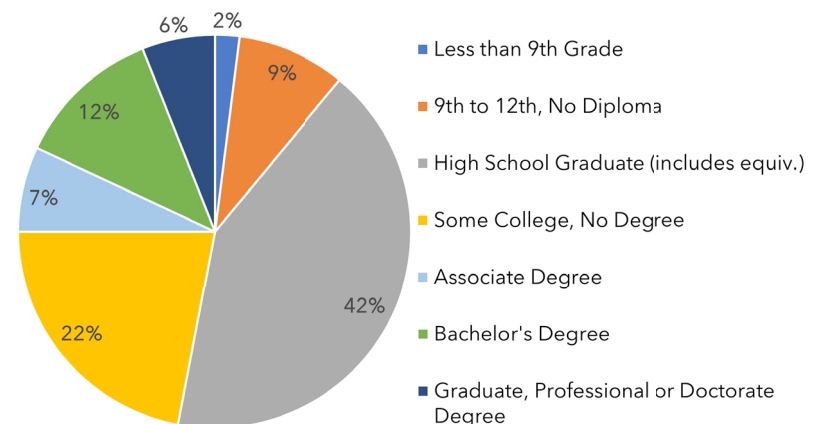


Total Population 2021	6,999
Population Growth or Decline 2010 to 2021	-0.40%
Households 2021	2,300
Unemployment Rate Ann. Avg. 2021	2.6
Per Capita Personal Income 2021	\$50,932
Median Household Income 2021	\$47,687
Poverty Rate 2021	16.9
High School Diploma or More - Pct. of Adults 25+ 2021	90.20%
Bachelor's Degree or More - Pct. of Adults 25+ 2021	18.80%
Manufacturing - Pct. All Jobs in County 2021	0.00%
Manufacturing - Avg Wage per Job 2021	\$0
Transportation and Warehousing - Pct. All Jobs in County 2021	1.80%
Transportation and Warehousing - Avg Wage per Job 2021	\$45,192
Health Care, Social Assist. - Pct. All Jobs in County 2021	10.40%
Health Care, Social Assist. - Avg Wage per Job 2021	\$49,679
Finance and Insurance - Pct. All Jobs in County 2021	1.60%
Finance and Insurance - Avg Wage per Job 2021	\$58,906

Population Estimates by Age in 2021



Population's Education Levels in 2021

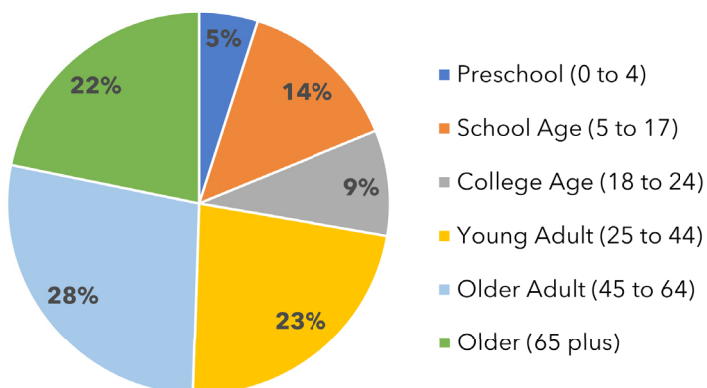




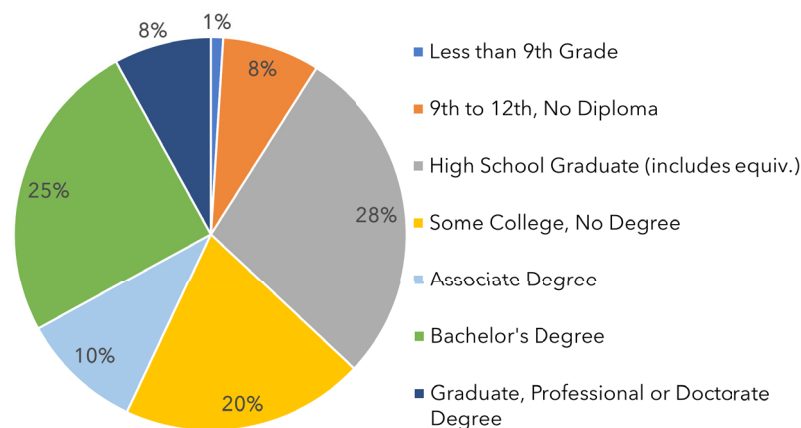
HEADWATERS REGION SNAPSHOT

Total Population 2021	86,156
Population Growth or Decline 2010 to 2021	6%
Households 2021	34,894
Unemployment Rate Ann. Avg. 2021	3.3
Per Capita Personal Income 2021.	\$55,649
Median Household Income 2021	\$54,759
Poverty Rate 2021	12.2
High School Diploma or More - Pct. of Adults 25+ 2021	93%
Bachelor's Degree or More - Pct. of Adults 25+ 2021	29%
Manufacturing - Pct. All Jobs in County 2021	4%
Manufacturing - Avg Wage per Job 2021	\$39,511
Transportation and Warehousing - Pct. All Jobs in County 2021	2%
Transportation and Warehousing - Avg Wage per Job 2021	\$46,265
Health Care, Social Assist. - Pct. All Jobs in County 2021	12%
Health Care, Social Assist. - Avg Wage per Job 2021	\$36,037
Finance and Insurance - Pct. All Jobs in County 2021	2%
Finance and Insurance - Avg Wage per Job 2021	\$72,988

Population Estimates by Age in 2021



Population's Education Levels in 2021



A new paper adds to the mounting evidence that school-age children across the globe experienced significant setbacks in their learning progress during the Covid-19 pandemic.

Students “lost out on about 35% of a normal school years’ worth of learning” when in-person learning stopped during the public health crisis, according to a paper published on January 30, 2023, in the journal Nature Human Behaviour. The school closures were intended to slow the spread of the coronavirus, but the new paper suggests that learning deficits emerged and persisted over time. The paper included data from 15 different countries.

“Schoolchildren’s learning progress slowed down substantially during the pandemic. So on average, children lost out on about one-third of what they would have usually learned in a normal school year, and these learning deficits arose quite early in the pandemic,” said Bastian Bethäuser, an author of the paper and researcher at the Sciences Po Centre for Research on Social Inequalities in France and the University of Oxford in the United Kingdom.

“Children still have not recovered the learning that they lost out on at the start of the pandemic,” he said. Also, “education inequality between children from different socioeconomic backgrounds increased during the pandemic. So the learning crisis is an equality crisis. Children from disadvantaged backgrounds were disproportionately affected by school closures.” ^{CNN1}

Other Regional Plans

The following is a list of other regional plans, by county, that we’ll integrate into our action plan for the CEDS. Additional plans will be integrated as they come on-line for our use.

Anaconda-Deer Lodge:

ADLC 2019 Growth Policy

Subdivision Regulations

Development Permit System (includes zoning districts and institutional controls for Superfund)

Butte-Silver Bow:

Uptown Butte Master Plan

2022 Butte-Silver Bow Parks Master Plan

Updated Zoning Plan (in process)

Superfund Consent Decree

Housing Plan (in process)



Working with the Montana Film Office, Headwaters RC&D, the Butte Local Development Corporation, Butte-Silver Bow, the Butte Chamber of Commerce, and members of the Butte community, the Paramount series 1923 selected Butte (and surrounding area), as their home base for shooting the epic drama. The positive impact on the Butte community alone was tremendous, and proved that economic development via the film industry is something to continue to attract.

2022 Total Spend in Butte-Silver Bow \$25-30 Million

Lodging (Hotels and Rentals)	\$3.8 million
Stipends for Housing	\$5.1 million
Location Rentals (sets)	\$3.1 million
Construction	\$1.6 Million
Food	\$800,000
Stages/Offices	\$1.3 million
Local Payroll – Crew/Extras	\$4.5 million
Local Hires	Crew 139, Extras 385

Beaverhead:

Growth Policy, November 2022

2010 Resource Use Plan (needs update)

CWPP 2010 doc - in process of updating now

Subdivision Regulations in process



Jefferson:

Whitehall Master Plan

Granite:

Wastewater Project

Growth Policy Plan

Zoning in one section of county (near Georgetown Lake)

Floodplain Plan

Madison:

Madison County Master Plan

Subdivision Regulation

Zoning – in-process

Powell:

Growth Policy Update

Zoning Regulations

New Parks Master Plan through RACE Grant

Need: Subdivision Regulations

Need: Capital improvements Plan

The unprecedented rise in housing prices since 2020 has affected renters more than homeowners—especially in places that were already unaffordable. ^{HEB}

“Forty-five percent of Americans (144 million people) are living in places where housing price increases during the pandemic are unprecedented. It is not just tech hubs, mid-sized cities, or resort communities that are managing a housing crisis. Analysis shows that communities across the country, in every state, are grappling with housing prices increasing at a rate that has not been seen before, even during the housing bubble that led to the Great Recession.

In eight states—Colorado, Connecticut, Idaho, Massachusetts, New Hampshire, Oregon, Utah, and Washington—more than half of the zip codes have experienced unprecedented price increases. When price increases are widespread, people have fewer options to relocate affordably nearby.

While unaffordable housing has come to a head during the pandemic, COVID-19 is not solely responsible. Long-term trends in demographics, the labor market, mortgage rates, housing supply, land use policies, and climate-driven disasters have all contributed to the current crisis.

The impacts of record-setting rises in housing prices reverberate through a community and manifest as labor shortages, increased homelessness, and dramatic increases in rental costs. Those who are priced out of homeownership today will struggle to build wealth for themselves and their children, exacerbating income inequality.^{HEA}

Economic Development Partners

By working with a vast complement of others committed to economic success in the Headwaters Region, we've been able to extend our reach by partnering with the following entities:

Economic Development Administration

United States Department of Agriculture, Rural Development

Environmental Protection Agency

Local City or County Community Development Teams

Area TIFID, TEDD and URA Boards

Downtown Associations

Montana Film Office

Montana State University Extension Office

Other Montana-based, Economic Development Districts and Certified Regional Development Corps.

Montana Department of Commerce

Chambers of Commerce

Montana Department of Environmental Quality

Regional City and County Governments

Anaconda Local Development Corporation

Jefferson Local Development Corporation

Southwest Montana Tourism



SWOT ANALYSIS

STRENGTHS

<i>Economy</i>	<i>Workforce</i>	<i>Infrastructure</i>	<i>Natural Resources</i>	<i>Tourism</i>
Bert Mooney Airport Desirable Quality of Life TIF's and TEDD's Desirable Warehousing And Distribution Opportunities Access to in-person Higher Education Viable Farms and Ranches	Workforce Training Partnerships with Montana Western, Montana Tech, and Highlands College Low Unemployment Skilled Workforce Anaconda Job Corps	I-15/I-90 Crossroads Montana Connections Park Availability of Rail Strong Network of Viable Hospitals and Clinics Standard, Community Infrastructure in-Place	Clean Water Existing Mining Ops. Copper & Molybdenum (Butte) and Gold (Whitehall, Philipsburg), Sapphires (Philipsburg) Public Lands Open Spaces Timber Extraction	Access to public lands Robust tourism offerings Film-friendly communities Trail systems Strong Parks and Rec Southwest Montana Tourism Highly Visited Tourist Attractions Easily Accessible Highways and Interstates Tourism Business Improvement Districts Resort Tax Opportunities Ongoing Investments in Beautification Proximity of Yellowstone National Park

WEAKNESSES

<i>Economy</i>	<i>Workforce</i>	<i>Infrastructure</i>	<i>Natural Resources</i>	<i>Tourism</i>
<p>Aging Communities</p> <p>Lack of Social Services for Influx of New Residents</p> <p>Increase in Real Estate Prices</p> <p>Employee Recruitment</p> <p>Employee Retention</p> <p>Small, Rural Airports</p>	<p>Lack of Enough Workforce</p> <p>Lack of Housing, Affordable and Workforce</p> <p>Lack of Childcare</p> <p>Not Enough College Education</p> <p>Brain Drain of Educated Graduates</p> <p>New Residents Working From Home Contribute to Economy but not Workforce</p>	<p>Cost of Materials</p> <p>Broadband Lacking in Some Areas</p> <p>Expensive Road Maintenance Due to Tough Winters</p> <p>No Mass Transportation</p> <p>Aging Historic Buildings and Lack of Funding Opportunities to Rehab</p> <p>Aging Water and Sewer Systems, Updates Exceed Annual Budgets</p>	<p>Regulations on Mining and Logging</p> <p>Challenging Climate, Long Winters</p>	<p>Short Season</p> <p>Difficulty Staffing Tourism Businesses</p> <p>Strain on Resources with Number of Tourists</p>

OPPORTUNITIES

<i>Economy</i>	<i>Workforce</i>	<i>Infrastructure</i>	<i>Natural Resources</i>	<i>Tourism</i>
<p>Development of a Regional Housing Collaborative</p> <p>Live Here, Work at Home from Anywhere</p> <p>Cost of Living Still Relatively Affordable</p> <p>Ease of Doing Business in Montana</p> <p>Abundant Resources for Childcare Assistance</p> <p>Focused Land Development</p> <p>'New' Money from New Residents Moving In</p> <p>More Educational Opportunities for Adults</p>	<p>More and More Workforce Training Programs Offered in Higher Ed</p> <p>Connecting Industry with Local Higher Ed to Develop New Training Programs</p> <p>Retirees Returning to Workforce</p>	<p>Expansion of South Butte TEDD</p> <p>Expansion of Montana Connections</p> <p>Expanded and Improved Water and Sewer in all Communities</p> <p>Historic Buildings</p> <p>Electrical Revolution/ Clean Energy</p> <p>Utilizing Technology to Use Gas Reserves</p>	<p>Farming, Ranching, Mining, Timber Harvest, Lumber and Other Wood Product Production</p> <p>Expanding Trail Systems</p>	<p>Tourism Sector Continues to See Growth</p> <p>Return to Montana Superhost Training</p> <p>Overflow from Yellowstone, with Record Visitation</p> <p>Swift Recovery Due to Tourist Economy</p>

THREATS

<i>Economy</i>	<i>Workforce</i>	<i>Infrastructure</i>	<i>Natural Resources</i>	<i>Tourism</i>
Poverty Issues/ Social Issues Too Little Housing for Growing Workforce Housing Affordability Increasing Homelessness Concern Along the I-90 Corridor about Overflow Growth from Larger Montana Towns No Immediate Plans to Regulate Short-term Rentals	Business-to-Business Migration of Employees Lack of Enough People (Baby Boomers, 'Biggest Generation', Retiring)	Lack of Adequate Broadband Neglected Historic Buildings Lack of Improvements (and/or a Lack of Necessary Funding) to Critical Components	Environmental Impacts Climate Change	Possibility of 'Too Much' Tourism, Putting a Strain on Resources

STRATEGIC DIRECTION & ACTION PLAN

Vision Statement

To further an already thriving and sustainable economy that empowers individuals, businesses, and communities to prosper through innovation, collaboration, and relevant, impactful opportunities.

Our strategic direction includes participation from our staff of ten economic development experts; from our Headwaters RC&D Board; from the county and city-county governments of the counties and communities in our region; and from other stakeholders in the area. We've identified 5 areas on which we'd like to focus our efforts over the next 5 years, and have outlined goals and partners for each.

GOAL 1

**Housing
Solutions and
the Region's
Economic
Well-Being**

GOAL 2

**Workforce,
Childcare,
Education and
Healthcare**

GOAL 3

Infrastructure

GOAL 4

**Support for
Existing Businesses
(Access to Capital)
and Tourism
Infrastructure and
Promotion**

GOAL 5

**Capitalize on
Natural
Resources**

GOAL

1

Work to Identify Housing Solutions and Best Support the Region's Economic Well-Being Objectives/Action Items

- Develop a Housing Task Force for the Region
- Utilize existing housing studies (Madison County's, for one) as blueprints for what's possible
- Partner with Butte-Silver Bow's Housing Group
- Become involved with Governor Gianforte's Housing Task Force
- Explore off-season housing possibilities for vacation rentals
- Promote and support economic diversification
- Work with local meat processors to access capital for expansion and development of new opportunities
- Continue to participate with site selectors and encourage new business development through the region with the support of financial resources within TIF districts
- Work with the state government to promote development of broadband through the region
- Work with local governments to provide site recruitment services
- Encourage the development and implementation of downtown master plans and provide funding resources

Action Item	Timeline	Funding Sources
Housing Task Force	3-5 Years for All	Private Investment,
Vacation Rentals	1-3 Years (Legislature)	
Site Selectors	Ongoing	Headwaters RC&D, Butte Local Development, Jefferson Local Development, Montana World Trade Center
TIF Districts	Dependent on Current Legislature	Self-Funded
Economic Diversification	Ongoing	Public and Private Investment, City-County Governments, State and Federal Programs
Broadband	Ongoing	State and Federal Government Programs, Public and Private Investment
Development and Implementation of other City/County Plans	Ongoing	-

Who will we partner with?

- Food and Ag Development Center
- USDA Rural Development
- HUD
- Neighborworks Montana
- National Affordable Housing Network
- Governor Gianforte's Housing Task Force
- Government and community leaders from each of seven counties in our region, particularly those in the early stages of defining solutions
- Private developers
- Site Selectors
- Montana World Trade Center
- Senator Tester's Office

GOAL 2

Focus on Workforce, Childcare, Education and Healthcare Improvements that Move the Needle on Solving Existing Issues Objectives/Action Items

- Expand programs to work with youth throughout the region for job readiness and promoting entrepreneurship as a viable career path
- Partner with providers to address mental health concerns
- Provide trainings on suicide prevention
- Continue meeting with university leaders to promote workforce programs
- Continue working with Montana Department of Labor and Industry to assist apprenticeship programs throughout the region.
- Monitor workforce opportunities

Action Item	Timeline	Funding Sources
Expand Youth Programs for Job Readiness and Promoting Entrepreneurship as a Viable Career Path	2-5 Years	Montana Dept. of Labor and Industry, USDA RD, Southwest Montana Youth Partners, Headwaters Foundation, Butte Local Development
Address Regional Mental Health Concerns	Ongoing	AMDD, City/County
Provide Trainings on Suicide Prevention	Yearly	Food and Ag Development Center
Promote Workforce Programs	Ongoing / Quarterly	Montana Dept. of Labor and Industry, Private Employers
Promote Apprenticeship Programs	Ongoing / Quarterly	Montana Dept. of Labor and Industry, Private Employers
Monitor Workforce Opportunities	Ongoing	Headwaters Staff, Butte Local Development, Anaconda Local Development, Jefferson Local Development

Who will we partner with?

- Highlands College, Montana Tech and Montana Western
- Area High Schools and Middle Schools
- Southwest Montana Community Health Centers, St. James Healthcare, Barrett Hospital and Healthcare, Powell County Medical Center
- Headwaters' Food and Ad Development Center
- Regional Child Care Consortia
- Southwest Montana Youth Partners
- Community and Education Foundations
- Mountain West Psychological Resources
- Career Futures

GOAL 3

Strengthen and Better Maintain Infrastructure Objectives/Action Items

- Promote Availability of Rail
- Promote Opportunities for Warehousing and Distribution
- Continue to Work with Montana Connections Park Reps.
- Promote Access to Hospitals and Quality Healthcare
- Seek Funding Opportunities for Infrastructure Development and Maintenance
- Offer Grant Writing Assistance to Communities Seeking Funding Help

Action Item	Timeline	Funding Sources
Promote Availability of Rail Service	Ongoing	Headwaters RC&D Marketing Dept. and Butte-Silver Bow
Promote Opportunities for Warehousing and Distribution	Ongoing and Per Request	Headwaters RC&D Marketing Dept. and City and County Governments from Throughout the Region
Continue to Work with Montana Connections Park Reps.	Ongoing	EDA, USDA RD,
Promote Access to Hospitals and Quality Healthcare	Ongoing	
Seek Funding Sources for Community Infrastructure Development and Maintenance	Quarterly, in Grant Cycles	USDA RD, Montana Dept. of Commerce, EDA, Public and Private Investment
Offer Grant Writing Assistance to Communities Seeking Funding Help	Quarterly, in Grant Cycles	USDA RD, MT Dept. of Commerce, EDA, City/County Grant Opps., URA, Headwaters Foundation, Grant Station Insider for Leads

Who will we partner with?

- Montana Department of Commerce
- USDA Rural Development
- Economic Development Administration
- Cities and Towns from the Region
- Montana Department of Transportation
- Department of Environmental Quality

GOAL 4

Provide Support for Existing Businesses (Including Access to Capital) and Tourism Infrastructure and Promotion Objectives/Action Items

- Support Entrepreneurship with Youth Throughout the Region by Engaging in Business Plan Competitions
- Participate with SBDC on Leadership and Business-centric Trainings
- Provide Grant Writing Assistance
- Develop a Regional Business Owner Roundtable
- Assist with Loan Packaging
- Assist with Site Selection

<i>Action Item</i>	<i>Timeline</i>	<i>Funding Sources</i>
Business Plan Competitions	Annually	Headwaters' Small Business Development Center, Montana SBA, Private Businesses
Business-centric Trainings	Ongoing	Headwaters' Small Business Development Center, Montana SBA, Private Businesses – Though usually offered at low- or no-cost
Grant Writing Assistance	Quarterly or as Opportunities Arise	USDA RD, MT Dept. of Commerce, EDA, City/County Grant Opps., URA, Headwaters Foundation, Grant Station Insider for Leads
Regional Business Owner Roundtable	2-4 times per year	Private Businesses, USDA RBDG Grant
Loan Packaging Promotion	Ongoing	Headwaters' Marketing Department will promote, as will the team at our Small Business Development Center
Assist with Site Selection – for Tourism, Film, Business Start-up or Relocation	Ongoing or as Opportunities Arise	Varies, depending on the industry

Who will we partner with?

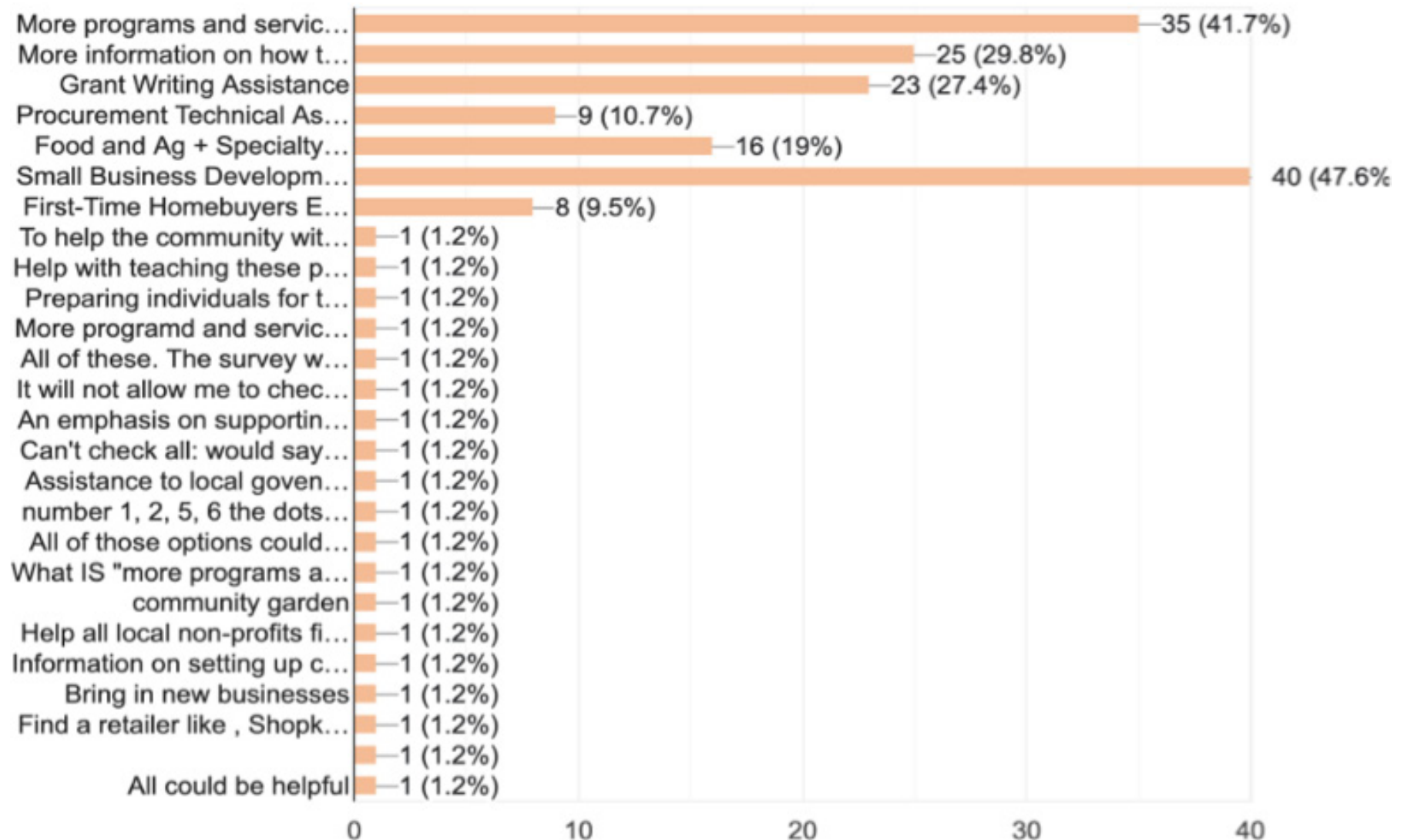
- Small Business Administration
- Small Business Development Center
- Montana Department of Commerce
Montana Chamber of Commerce

When asked of our survey respondents how Headwaters could best help those in our communities, Small Business Assistance was far and away the top response. This is one area in which we really shine. Headwaters' Small Business Development Center is known for meeting a number of important thresholds year-over-year, and 2022 was no exception.

How do you feel our organization can best help your community to ensure strong economic vitality?

(check all that apply)

84 responses



2022 Small Business Development Center Stats for the Seven-County Region

Jobs Supported	371
Clients Served	122
Dollar Amount of Loans/Equity/Grants: SBA Goal	\$3,931,383.00
Counseling Hours (Prep, Contact + Travel)	1,085.55
Bought/Started Business (Milestones): SBA Goal	10
Long-Term Clients (Since Start of Fiscal Year): SBA Goal	74
Success Story	4



GOAL 5

Create a Plan to Capitalize on Natural Resources Objectives/Action Items

- Support Legislation that Supports our Extractive Industries
- Support Agri-tourism
- Partner with Tourism Entities to Better Develop the Outdoor Recreation Economy

Action Item	Timeline	Funding Sources
Support Legislation	Every 2 years	-
Support Agri-tourism		Tourism Business Improvement Districts, Food and Ag Development Center, Specialty Crop Block Grant Program
Develop the Outdoor Recreation Economy	Ongoing	

Who will we partner with?

- Food and Ad Development Center
- State Representatives
- Local City/County
- Area Legislators
- Montana Resources
- Barrett Minerals
- Sun Mountain Lumber
- Golden Sunlight Mine

Priority Projects

COUNTY	PROJECTS	KEY INDIVIDUALS AND INSTITUTIONS	COSTS	FUNDING SOURCES	TIMELINE
Anaconda-Deer Lodge	Big Sky Passenger Rail	Big Sky Passenger Rail Authority	Unknown	EDA, Private Investments	2024-2030
Beaverhead	Multi-Generational Facility	City of Dillon, Beaverhead County, Invested Child Care and Senior Center	\$3-5 million	Private Investment, MT Dept. of Commerce, USDA RD	2023-2025
	Development o a Tourism Business Improvement District	Dillon Chamber of Commerce	\$2.500-\$5,000	Will be self-sustaining through an assessment on hotel stays	2023-2025
	Addition of a City Planner	City of Dillon	\$60,000/year	Possible Tax Assessment	2024-Ongoing
	Downtown Dillon Beautification: Parking Lots, Street Corners, Curbs, New Street Lamps	City of Dillon, Dillon Chamber of Commerce, Headwaters RC&D, Local Civic Organizations	\$1-5 million	USDA RD, EDA Technical Assistance, Tax Increment District?	2023-2028
	South-end Detour to Fairgrounds (Planning Project)	City of Dillon, Beaverhead County, Headwaters RC&D	\$10 million	Tax Increment District?	2023-2028
	Create a Position for an Economic Development Expert	City of Dillon, Beaverhead County, Headwaters RC&D	\$50,000-60,000/year		2024- Ongoing
Butte-Silver Bow	Infrastructure MT Connections, New TEDD	Butte-Silver Bow	\$3-5 million	Tax Increment – Bonds, EDA, other Federal Programs	2024-2026
	Housing-Workforce/ Affordable/Supportive	Butte-Silver Bow/PHA/Action Inc./Hospital/CHC	\$5-10 million	HUD, USDA, Tax Increment/State	2024-2026
	Uptown Master Plan Implementation	Butte-Silver Bow/MDT	\$5-15 million	Tax Increment/RAISE/ MDT-TA/EDA	2024-2026
Granite	Flint Creek Child Care Expansion Project	Philipsburg Rotary Club	\$1 million		2023-2026
	Drummond Waste Water Improvement	City of Drummond, Granite County	\$3.5 million		2023-2026
	Drummond Bridge Infrastructure Improvement	City of Drummond, Granite County	\$5 million	Granite County, MT Dept. of Transportation	2023-2026

Chart continues on next page

Priority Projects

Jefferson	Meat Processing (North end)	Jefferson County	Unknown	Possible County ARPA Funding, Possible MPILP Funding	2023-2025
	Affordable Housing	Workforce Development Housing, Jefferson County Commissioners	Unknown	Private Development, Montana Dept. of Commerce, USDA RD	2023-2028
	Overnight Lodging Options	Jefferson County Commissioners	\$10-15 million	Private Development	2023-2028
	Water and Sewer Development	Jefferson County	Unknown	Possible ARPA Funding	2023-2025
Madison	Madison County Fairgrounds Event Center	Madison County Commissioners, Fairgrounds Board, Headwaters RC&D + Private Stakeholders	Will be done in phases. Currently have \$1.2 million to construct exterior.	Montana Tourism Grant, LATCF funds, \$400,000 in private donations, additional private funding expected	June 30, 2024 – Exterior Completion
	Madison County Law and Justice Center	Madison County Commissioners and Law Enforcement Division, Headwaters RC&D, Taxpayers	\$10,000,000	Taxpayer Funded, Possible Grant Assistance from Headwaters	2-10 year timeframe
Powell	City/County Economic & Community Development Coordinator	City of Deer Lodge, Powell County, MSU Extension, Headwaters RC&D	\$65,000	Headwaters RC&D, City of Deer Lodge, Powell County	2023-2024
	Training and Capacity for Small Businesses	Headwaters RC&D, Powell County Chamber of Commerce, City/County Businesses	Uncertain, though many Headwaters trainings are free	Headwaters RC&D	2023-2028



Traveling through seven states, Amtrak's North Coast Limited/Hiawatha connected Chicago, Illinois to Seattle, Washington. Operating for more than 80 years, the discontinuation of this line in 1979 severed access to passenger rail to the largest cities in Montana and North Dakota and small towns in between. As a result, a vast expanse of the Greater Northwest Region lacks passenger rail service.

Today, more than 2,000 miles from the Great Lake to the Pacific and 800 miles from Great Falls to Denver no longer have access to passenger rail service. It's time to provide passenger rail service to all of America. The benefits of restored service are many, including to Southwest Montana.

Funding Opportunities & State of Montana Partnership



Headwaters RC&D has a strong working relationship with the State of Montana, with each sharing information and resources in the interest of common goals. In 2006, Headwaters RC&D became a Certified Regional Development Corporation (CRDC). The intent of the CRDC program is to encourage a regional approach to economic development that facilitates the efficient delivery of economic development programs by supporting regional capacity.

As a CRDC, Headwaters RC&D facilitates the identification of priority needs of local communities and works to foster collaboration and bring elected officials, business leaders and stakeholders together to prepare and implement regional development strategies. Headwaters RC&D is required to have broad-based support from each county and community, including local development organizations within the Headwaters RC&D Comprehensive Economic Development Strategy 2023 Region.

This approach allows Headwaters RC&D to leverage scarce resources for economic development and provide professional economic development services in their regions. Additionally, leveraging financial resources from a variety of sectors that include government (federal, state, county and local), the private sector, private foundation and academia to aid in the expansion of southwestern Montana's economy is possible.

EDA Technical Assistance Grants

Montana Department of Commerce Grant Programs

Montana SSBCI

Headwaters Loan Department

USDA Rural Development – Grants and RLF

Brownfields RLF

Private Investment

Resilience

During times of economic downturns, flooding, fires, and other natural or man-made disasters, it is important to remain resilient and stay positive. It can be difficult to get through such challenging times, but it is important to focus on the good and look for ways to help out those in need. Most recently, the COVID-19 pandemic has had a huge impact on many people and businesses around the world. Establishing economic resilience is key to regional economic prosperity, and one of the best ways to do that is through proactively anticipating risk and evaluating how it can impact key assets. To achieve this, Headwaters RC&D has compiled this Disaster and Economic Recovery and Resiliency Strategy to ensure the safety of the communities in, and the economy of, the region.

This strategy identifies potential risks, prioritizes key assets, and outlines the role of Headwaters RC&D in both pre- and post-disaster planning and recovery. Embracing economic resilience is a smart move for businesses to make in today's uncertain economic climate. It involves taking proactive steps to ensure that businesses are able to weather any economic storms that may come their way.

Headwaters RC&D will work collaboratively with others to create a roadmap for success that will lead to a more resilient and diverse economy. The goals set forth in this document will reflect the recommended two-pronged approach to include planning for, and implementing resilience through, specific goals and actions to bolster the long-term economic durability of the region (steady-state); and establishing information networks among various regional stakeholders to encourage active and regular communication between the public, private, education, and non-profit sectors to collaborate on existing and potential future challenges.

What is Economic Resilience?

It is becoming increasingly apparent that regional economic prosperity is linked to an area's ability to prevent, withstand, and quickly recover from major disruptions (i.e., 'shocks') to its economic base. Many definitions of economic resilience limit its focus on the ability to quickly recover from a disruption. However, in the context of economic development, economic resilience becomes inclusive of three primary attributes: the ability to recover quickly from a shock, the ability to withstand a shock, and the ability to avoid the shock altogether. Establishing economic resilience in a local or regional economy requires the ability to anticipate risk, evaluate how that risk can impact key economic assets, and build a responsive capacity. Often, the shocks/disruptions to the economic base of an area or region are manifested in three ways:

- Downturns or other significant events in the national or international economy which impact demand for locally produced goods and consumer spending;
- Downturns in particular industries that constitute a critical component of the region's economic activity; and/or
- Other external shocks (a natural or man-made disaster, closure of a military base, exit of a major employer, the impacts of climate change, etc.).

At the regional or community level, economic development practitioners are instrumental in building the capacity for economic resilience. Economic development professionals and organizations often become the focal point for post-incident coordination, information dissemination, responding to external inquiries, and the lead grant administrator for federally-funded recovery initiatives. In building economic resilience, it is critical that economic development organizations consider their role in the pre- and post-incident environment to include steady-state and responsive initiatives.

Steady-state initiatives tend to be long-term efforts that seek to bolster the community or region's ability to withstand or avoid a shock. Responsive initiatives can include establishing capabilities for the economic development organization to be responsive to the region's recovery needs following an incident.

Examples of steady-state economic resilience initiatives include:

- Engaging in comprehensive planning efforts that involve extensive involvement from the community to define and implement a collective vision for resilience that includes the integration and/or alignment of other planning efforts (e.g., hazard mitigation plans) and funding sources;
- Undertaking efforts to broaden the industrial base with diversification initiatives, such as targeting the development of emerging clusters or industries that (a) build on the region's unique assets and competitive strengths; and (b) provide stability during downturns that disproportionately impact any single cluster or industry;
- Adapting business retention and expansion programs (e.g., economic gardening or other enterprise supports) to assist firms with economic recovery post-disruption;
- Building a resilient workforce that can better shift between jobs or industries when their core employment is threatened through job-driven skills strategies and support organizations;
- Maintaining geographic information systems (GIS) that link with municipal business licenses, tax information, and other business establishment databases to track local and regional "churn" and available development sites. GIS can also be integrated with hazard information to make rapid post-incident impact assessments;
- Ensuring redundancy in telecommunications and broadband networks to protect commerce and public safety in the event of natural or manmade disasters;
- Promoting business continuity and preparedness (i.e., ensuring businesses understand their vulnerabilities—including supply chains—in the face of disruptions and are prepared to take actions to resume operations after an event); and
- Employing safe development practices in business districts and surrounding communities. Strategies may include locating structures outside of floodplains, preserving natural lands that act as buffers from storms, and protecting downtowns and other existing development from the impacts of extreme weather;
- Exploring programs to incentivize landlords to convert short-term rentals into long-term rentals.

Some examples of responsive economic resilience initiatives include:

- Conducting pre-disaster recovery planning to define key stakeholders, roles, responsibilities, and key actions;
- Establishing a process for regular communication, monitoring, and updating of business community needs and issues (which can then be used after an incident) ;
- Establishing/using a capability to rapidly contact key local, regional, state, and federal officials to communicate business sector needs and coordinate impact assessment efforts; and
- Establishing/using coordination mechanisms and leadership succession plans for short, intermediate, and long-term recovery needs. ("Comprehensive Economic Development Strategy (CEDS) Content Guidelines: Recommendations for Creating an Impactful CEDS")

Region Vulnerabilities and Resilience-Building Goals

A series of public meetings were hosted across the 7 Southwestern Montana counties (Butte-Silver Bow, Anaconda-Deer Lodge, Madison, Jefferson, Powell, Granite, and Beaverhead) to gather and implement community-based visioning and planning processes.

The following vulnerabilities and resilience strategies are identified below:

Lack of Affordable Housing:

There is a growing need for affordable housing in many areas. Unfortunately, it is often difficult for people to find housing that meets their

budget and their needs. Headwaters will help to address this issue by exploring and proposing possible partners and solutions. These include but are not limited to:

- incentives for developers to create more affordable housing units
- providing tax breaks or other financial incentives
- zoning regulations that allow for multi-family dwellings
- rent control policies
- provide resources to help people find affordable housing, such as through low-income housing assistance programs.

Workforce Availability/Retention

Finding a workforce to meet the demands has been a challenge. Headwaters can help by providing individuals with creative solutions such as;

- Expanding the scope of recruitment efforts by actively recruiting candidates from different geographic areas
- Exploring different types of hiring such as remote work, freelancing, or temporary staffing
- Utilizing job boards, social media, and other online recruiting tools to reach out to potential candidates
- Creating a comprehensive onboarding program that supports new hires and encourages them to stay with organizations.

Access to Healthcare

It's important for everyone to have access to quality healthcare. By investing in health care, governments and societies can create a healthy and prosperous future. Headwaters will continue to help individuals who are faced with a lack of access to healthcare by supporting the following solutions:

- looking into virtual healthcare options, such as telemedicine and telehealth, which allow you to have virtual consultations with healthcare providers
- supporting efforts to expand public health insurance
- investing in community health initiatives
- supporting local health care providers.

Lack of Childcare

Finding quality, affordable child care is a major challenge for many families, particularly those with low incomes. This challenge can create a barrier to economic development, as parents may be unable to go to work or further their education. Solutions that Headwaters can propose for this issue include:

- expanding public and private investments in quality, affordable child care
- increasing access to subsidized child care
- providing incentives to businesses to invest in child care services on-site
- increasing the pay and benefits of child care workers to attract more qualified workers
- encouraging and facilitating public/private partnerships to meet local childcare needs



Natural Disaster Response

The first step towards withstanding the impacts of a shock involves coordinated planning and communication before a disaster occurs, including the following actions. The Headwaters team is prepared to engage with city and county leaders from throughout our region in executing these steps.

1. Engage in comprehensive planning efforts
2. Aid with community risk assessment
3. Source organizations, agencies, and others that can help communities inventory and organize recovery resources
4. Direct businesses to those providing business continuity planning
5. Help facilitate distribution of necessary evacuation plans and communication trees
6. Partner with stakeholders to produce recovery timeline activities for the immediate, short-term, and long-term needs of those impacted
7. Promote Use of Existing GIS Systems ("Comprehensive Economic Development Strategy (CEDS) Content Guidelines: Recommendations for Creating an Impactful CEDS")

Engage in Comprehensive Planning Efforts

Headwaters works with local leaders to develop strategies that reduce the risk of damage from natural disasters to ensure the safety and well-being of our community. We have access to a database of all existing plans. This database is regularly updated with new plans and can be relied upon during an emergency.

Aid with community risk assessment:

Headwaters can aid in developing risk assessments for various communities to identify potential risks and come up with a comprehensive plan to mitigate those risks.

Source organizations, agencies, and others that can help communities inventory and organize recovery resources:

There are many organizations, agencies, and other groups that can help communities inventory and organize recovery resources. Headwaters can help communities identify local resources related to disaster recovery, such as businesses, government organizations, and non-profit organizations. The United Way of America offers a Disaster Recovery Toolkit to help local United Ways prepare for, respond to, and recover from disasters, and the American Red Cross has a Disaster Services Network that can provide resources, training, and volunteer support for local communities.

Direct businesses to those providing business continuity planning:

Headwaters RC&D's Small Business Development Center can refer local businesses to the individual resources they need to create a business continuity plan.

Help facilitate distribution of necessary evacuation plans and communication trees:

Headwaters RC&D can create an organized system to ensure that everyone has access to the plans, as well as create a communication tree to ensure the information is disseminated quickly and effectively.

Partner with stakeholders to produce recovery timeline activities for the immediate, short-term, and long-term needs of those impacted

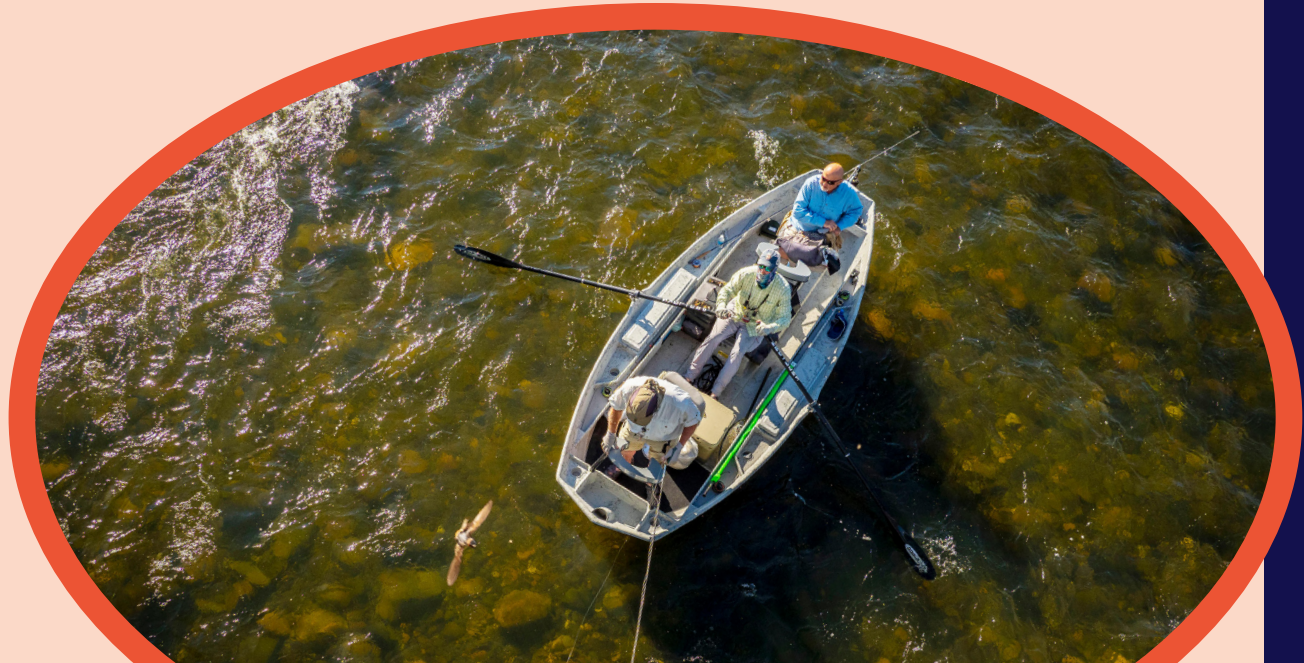
Our organization will follow the guidelines established in existing disaster mitigation plans. R1

Southwest Montana Disaster and Emergency Services Contact Information

County	Contact	Phone Number	Address
Anaconda-Deer Lodge	William Converse	406-563-5571	800 South Main St., Anaconda, MT 59711
Beaverhead	Tom Wagenkechtt	(406) 683-3771 Office (406) 596-1251 Cell	2 South Pacific Dillon, MT 59725
Butte-Silver Bow	Jim Merrifield	(406) 497-6295	Butte Justice Center 3619 Wynne Ave. Butte, MT 59701
Granite	Jackie Bolster	(406) 370-5060	220 N Sansome St., Philipsburg, MT 59858
Jefferson	Doug Dodge	(406) 225-4035	110 S Washington St. PO Box H Boulder, MT 59632
Madison	Joe Brummell	(406) 843-4253	7 Placer Loop, Virginia City, 59755
Powell	Heather Gregory	(406) 846-9718	409 Missouri Ave., Suite 111 Deer Lodge, MT 59722

Promote Use of Existing GIS Systems:

To promote the use of existing GIS systems, Headwaters will focus on educating people about the benefits of GIS technology and how to use it effectively. We will also encourage businesses, governments, and other organizations to take full advantage of existing GIS systems.



Opportunity Zones

The Headwaters Region is home to two opportunity zones, one located in Butte-Silver Bow County and the other in Anaconda-Deer Lodge County. Qualified opportunity zones were created by the federal 2017 Tax Cuts and Jobs Act and designed to spur economic development by bringing private investment to areas that might otherwise have difficulty attracting it.

These zones consist of low-income census tracts nominated by the State of Montana, and comprise economically distressed areas where new investments may be eligible for preferential tax treatment and the resulting investments, according to the U.S. Treasury. The IRS and the Community Development Financial Institutions Fund (CDFI) are responsible for the program and provide multiple resources to learn more about how the zones are designated and how zone funds are being set up.

The designation of the Butte opportunity zone has led to numerous investments of private capital within the district. This has included renovations of mixed use spaces, redevelopment of blighted properties and economic development opportunities that did not exist prior to the program. The most significant project that has utilized opportunity zones is the Praxis Center. The Praxis Center is a \$30m medical training facility that is located in the center of Butte's opportunity zone. Opportunity Zone funding has supported the initial development of the project and continues to serve as an economic development tool to drive the project forward. Praxis has an anticipated opening date of 2025.

Stakeholders in the region's two opportunity zones include, but are not limited to, the following:

Butte-Silver Bow City-County
Environmental Protection Agency
Area Engineering Firms

Headwaters RC&D Area, Inc.
Anaconda-Deer Lodge City-County
Butte's Urban Revitalization Agency

Butte Local Development Corp.
Montana DEQ

See our SWOT and Demographics Sections for data elements that have a direct impact on our Opportunity Zones as investment-ready locations.

Brownfields

A Brownfield is a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. It is estimated that there are more than 450,000 Brownfields in the U.S. Cleaning up and reinvesting in these properties increases local tax bases; facilitates job growth; utilizes existing infrastructure; takes development pressures off of undeveloped, open land; and both improves and protects the environment. Headwaters currently has a \$1million dollar Brownfields revolving loan fund, from which roughly half of the funds can be disbursed as grants (to cities, towns and non-profit entities) and the remaining half can be loaned to individual property owners. Our region has seen many success stories within the Brownfields program, most recently the Johnson property in Dillon, MT, which was a large junkyard located right at the entrance to town.

EVALUATION FRAMEWORK

What Did We Learn from Our Regional Stakeholders?

In our last round of public, in-person meetings, held in January of 2023, we talked about all of the possible projects that residents of our communities would like to see accomplished. The list for each was extensive, and our team at Headwaters will work diligently over the next five years to help see many of those to completion. A sampling of priority projects is included in the above section.

On the 'creating healthy downtowns' front, grocery needs were an oft-mentioned desire. From a current lack of any grocery store (Drummond), to a desire for more options, including a food co-op (Butte), there is definitely a need in this space. Also requested were sidewalk improvements, better access to parking, façade improvements and community gardens. And getting away from the core of each town, neighborhood sidewalk updates were asked for from several participants.

On the recreation side, rec centers and skate parks were mentioned by several communities, as were walking and biking trails; improved signage for existing offerings, such as Anaconda's zip line; and a desire for more parks and public outdoor spaces. From a tourism perspective, a return to Montana Superhost was brought up several times (a state-sponsored, front-line training program for those who work in hospitality); and there is strong desire to see the Our Lady of the Rockies tram project become reality.

VRBO issues were mentioned in our SWOT, and we want to address that here again, as regulations are currently lacking, and the impact of that on our housing inventory is substantial.

Branding/identity is another area in which many feel our communities have fallen short. Who are we; how do we project and promote that; what do we want to be known for? How do we communicate all that we have to offer? Also requested was assistance for Whitehall's Western Legacy Center (both in developing and promoting), and added awareness of Anaconda's Smelterman's Days. Marketing for each community and its assets and events is clearly a top priority as we move beyond the pandemic.

Other community desires included senior centers; better infrastructure for continued development, including water, sewer, maintenance, storm sewer, and broadband, to name a few; a strong wish for us to focus on historical assets in preserving the history of the region; and improved emergency response (smaller towns losing ambulance services is impacting many of our communities).

On the business side of things, small business development assistance; support for incubators, co-working spaces, mentorship and working groups; and increased business attraction efforts were all listed as priorities. Also suggested were added business development train-

ing (which Headwaters currently offers); a regional start-up fund; and funding for economic development liaisons or community development directors, in several of our communities.

And finally, a wish for us to focus on training and workforce development, including but not limited to: workforce training (i.e. Just in Time Training), more ag training, basic life skills training at the high school level, such as budgeting; and mental health, for all age groups within each of our towns.

Criteria will include, but not be limited to, the following:

- Does it allow for job creation and/or retention?
- What is the housing availability and affordability?
- Will childcare needs be met?
- What is the workforce availability? Will additional workforce move in?
- Does it fit with the kinds of projects we've had success with in the past?
- Will it take into consideration low and moderate income-earners?
- Is it environmentally-friendly and/or does it require a Brownfields assessment?
- What is the source of funding, and is it adequate? What other partners can we pull in?
- Does it lend itself to sustainable economic growth?
- Does it fall within one of the two opportunity zones in our region, and how can that be of assistance with financing, grant awards?
- Does it meet the EDA's Investment Policy Guidelines?
- Does our staff currently have the capacity to take this on? If not, what other solutions can we identify to help see it through?
- Who are our partners for this project and have they been pulled in?
- What conditions need to be reversed or created?
- What regional assets can we leverage?

The same group will meet annually for a review of the following metrics, as they apply to different projects, and make adjustment for the coming year, as needed:

- Number % of projects meeting objectives
- Number of communities aided and in how many cases
- Number of communities improving their telecommunications connectivity
- Cities and towns desiring industrial development that have marketable industrial sites
- Number of communities with strategic plans
- Change in distress level of aided communities
- Percent of small businesses assisted
- Value of industrial and commercial property
- Capital investments per job
- Amount or percentage of tax collected by industry
- Number and value of business loans
- Amount of private sector investment in EDA projects as a result of grants
- Amount of state and local funds committed for EDA projects
- Number of jobs in value-added manufacturing
- Net job growth
- Number of companies who export
- Percent of companies developing new products or services
- Number of business establishments
- Manufacturing productivity
- Farm acreage
- Values of key natural resources
- Job growth in identified clusters CALED.ORG1



Our Process

This CEDS document was developed by Headwaters RC&D staff in conjunction with the CEDS Committee and Board of Directors. The process for developing this CEDS consisted of:

1. An analysis of regional and local economic conditions;
2. A series of community meetings held in cities and towns throughout the region: Anaconda, Dillon, Butte, Drummond, Philipsburg, Whitehall, Boulder, and Virginia City;
3. Numerous conversations with stakeholders and residents from throughout the region;
4. An online economic development survey;
5. Identification of strengths, weaknesses, opportunities and threats;
6. Development of goals and objectives for addressing opportunities and challenges;
7. Development of an implementation plan. The economic analysis and public engagement were conducted through the end of 2022 – beginning of 2023.
8. Online research of economic development data and statistics, from and including, but not limited to: Headwaters Economics, BBER, Stats America, Montana Department of Commerce, Montana Department of Labor and Industry
9. Input and guidance from our Strategic Committee

A draft of the CEDS was circulated for public review and comments on March 21, 2023, which began a 30-day public comment period.

Following the public comment period, a final draft will be completed and submitted to the EDA by April 30, 2023.

For guidance in the development of this document the authors made use of: Comprehensive Economic Development Strategy (CEDS) Guidelines as provided by the EDA.

Endnotes

List of Figures and Tables

Figures 1-12 Courtesy of John Kasperick, Northwestern Energy

Figure 13-14 Slides Courtesy of Montana Department of Labor and Industry & Mary Craigle, Department of Commerce

Figure MTDLI 15-21 Data Collected from Stats America

Pages 10-16 Courtesy of John Kasperick, Northwestern Energy

Footnotes

BBER1 - The Economic Impact of Outdoor Recreation in Beaverhead County, Bureau of Business and Economic Research

BSB1 – Stats Courtesy of Butte-Silver Bow Economic Development

CALED.ORG1 – Everything Economic Development Metrics

CNN1 (CNN Article) – Jacqueline Howard, CNN, January 30, 2023

HEA & HEB - Megan Lawson, Ph.D., Headwaters Economics, September 2021. Housing cost data are from the Zillow Home Value Index (ZHVI), which represents the value for a typical single-family home between the 35th and 65th percentile. Headwaters Economics compared annual growth rates from 1996 to 2021 in both absolute change (in 2020 dollars) and percent change. Annual growth rates were calculated using typical home values for July each year.

MTDLI 1-7 – Montana Department of Labor and Industry

MTDLI 8 – Montana Department of Labor and Industry, Amy Watson, Senior Economist

R1 (Resilience) - "Comprehensive Economic Development Strategy (CEDS) Content Guidelines: Recommendations for Creating an Impactful CEDS." Comprehensive Economic Development Strategy (CEDS) Content Guidelines: Recommendations for Creating an Impactful CEDS. U.S. Economic Development Administration, <https://www.eda.gov/archives/2021/ceds/content/economic-resilience.htm>. Accessed 7 March 2023. "Economic Resilience." U.S. Economic Development Administration, <https://www.eda.gov/node/10701>. Accessed 7 March 2023. "National Disaster Recovery Framework, Second Edition." FEMA, https://www.fema.gov/sites/default/files/2020-06/national_disaster_recovery_framework_2nd.pdf. Accessed 7 March 2023.

SMN1 – State of Montana News, April 2022