

Missoula Greater Downtown Master Plan

Employment Analysis and Recommendations

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(MAEDC, MonTEC, MRA, DBID, MDA, MDP, MCAID, OPG, Chamber, CVB, UM, MCDC, MATR, MDOC, BREDD)	

Limiting Conditions: Every effort has been made to verify the accuracy of the data contained in this report through independent research, general industry knowledge, and information provided by Missoula public, private, and nonprofit organization representatives. However, in some instances, available details were limited due to reporting mechanisms and sources. The Hingston Roach Group assumes no responsibility for inaccuracies reported by the client or its representatives. National economic challenges occurring in 2008 have created employment stagnation and decline in many sectors. The impacts are projected to continue in 2009, and national economic recovery is not expected until at least 2010. Projections of future employment and commercial space requirements contained in this report are based on recovery in 2010 that meets or exceeds 2006-07 levels of revenues and employment, and resumes previous growth patterns. However, no guarantee is provided, and no liability accepted, for the projections contained herein.

1. Key Findings and Recommended Goals and Actions

Introduction

Missoula has a diverse economy and is known for its high quality of life. Downtown Missoula is the heart of the community, and a major source of the City's revenue, tax base, and jobs. This report provides an analysis and overview of economic and employment trends in Missoula, along with projections and recommendations for targeted economic growth, emphasizing actions to benefit downtown Missoula.

Missoula County is Montana's second most populous, with an estimated 101,417 residents in 2006. The City of Missoula is the county seat and the state's second largest city, with an estimated population of 64,081 in July 2006.¹ From 2000 to 2006, the city's population grew 12.3%, while during the same time period, the county grew 5.9%. Both the city and county have shown steady employment growth over the past decade.

Missoula is located at the base of Mount Sentinel, where five valleys and three rivers intersect (the Blackfoot, Bitterroot, and Clark Fork Rivers). It is known throughout Montana as "the college town," home to the University of Montana and serving as a major cultural center for the state. In fall 2007, the university employed 548 full-time and 223 part-time staff, and reported an enrollment of 13,858 students, 70% of whom are Montana residents (faculty and student numbers declined slightly from 2006).² The UM is known for its academic programs in the liberal arts, forestry and conservation, business, education, fine arts, journalism, law, pharmacy, and health sciences. Its research programs include biotechnology, environmental health/restoration, wildlife and wild lands, economics, tourism, and recreation.

Missoula is a regional economic center serving a trade area of approximately 180,000 residents. The key business sectors serving the trade area are health care (including St. Patrick Hospital and the Community Medical Center), retail shopping, transportation, financial services, government/social services, education, events, arts and culture. While the services and retail sectors account for 55% of all employment in Missoula County, Missoula's main export (base) industry sectors are heavy and civil engineering, construction, beverage product manufacturing, professional and technical services, truck transportation, forestry, logging, and wood products manufacturing (which recently has experienced significant decline). Missoula also has significant tourism, hosting 3.8 million out-of-state visitors annually, and thousands of Montanans from other parts of the state.

Economic sustainability for Downtown Missoula depends on continued success in retaining and recruiting high value companies into the Downtown district and surrounding commercial corridors. Retail is a second tier economic sector, dependent on wages and revenues generated by primary tier sectors, along with visitors, UM students, second homeowners, and retirees. Therefore, Missoula's economic development efforts, focused on sectors that generate living-wage jobs with benefits, are critical to Downtown's success.

On average, 75% of businesses in a community depend on wealth attracted from outside the community by the 25% of companies with national and global markets.

¹ U.S. Census Bureau Population Estimates

² "UM by the Numbers" University of Montana website, <http://admissions.umt.edu/numbers.html>

Key Findings

Based on the economic analyses detailed in this report, the economic sectors that represent key opportunities for employment growth in Missoula are health sciences and biotechnology; media, broadcasting and communications; data processing/hosting; wildland/wildlife management and environmental restoration; waste management and remediation; performing and visual/literary arts; recreation and tourism; nonprofit membership associations; and professional/technical services. Each of these sectors is supported by existing business clusters and strong programs at the University of Montana.

If economic growth in the sectors listed above continues at rates similar to the past five years in Missoula, businesses in those sectors are projected to add more than 3,000 new employees over the next 5-7 years, requiring an estimated 780,000+ square feet in additional commercial space. Based on the current business mix in the Downtown Study Area, a significant share of the growth could happen in the Downtown district, translating to 1,000+ new non-retail employees and an estimated demand of at least 200,000 square feet of commercial space downtown (see Figure 1.1). Accommodations, professional services, and health care are likely to have the largest job and space requirements.

Fig. 1.1: Projected Growth by Sector in Downtown

Sector	2014 Add'l Employees	% of Total	2014 Add'l Space (s.f.)	% of Total
Recreation	12	1%	11,025	6%
Real Estate, Rental, Leasing	20	2%	2,775	2%
Professional Services	317	31%	45,000	22%
Other Services	14	1%	1,400	1%
Health Care*	241	23%	18,450	9%
Amusement, Gambling	12	1%	2,100	1%
Accommodations Services	343	33%	85,500	43%
Beverage Manufacturing	5	1%	4,000	2%
Nonprofit Organizations	7	1%	1,050	1%
Technology Services	3	0.3%	2,300	1%
Data Processing	3	0.3%	1,500	1%
Broadcasting	15	1%	9,200	5%
Arts & Entertainment	24	2%	8,400	4%
Building Construction	9	1%	4,875	2%
Transportation	8	1%	3,600	2%
TOTAL	1,032	100%	201,175	100%

* Does not include planned expansion at St. Patrick's Regional Medical Center.

Montana has the #1 Civic Life Index score in the nation at 126, the fifth highest volunteer rate at 38% (behind Utah at 44%, Nebraska and Minnesota at 40%, and Alaska at 39%), and the sixth highest volunteer hours ranking with 47.2 average volunteer hours per resident.³ Missoula County has more than 1,500 nonprofit organizations (nearly twice that of the state's other large counties), so is a high level of civic engagement and volunteerism in Missoula. Those nonprofit organizations and volunteers are a tremendous resource economically and socially, as a source of revenue, jobs, and volunteer efforts to accomplish priority efforts in the community.

³ Corporation for National & Community Service (CNCS), www.nationalservice.gov and www.volunteeringinamerica.gov.

Goals and Actions

Listed below are some suggested goals and actions to achieve employment growth in downtown Missoula.

1. Expand promotion of downtown commercial buildings and sites that are available for lease or sale, as a collaborative effort between the Downtown Business Improvement District (DBID, on whose web site an online listing is located), and the Missoula Area Economic Development Council (MAEDC), Missoula Redevelopment Agency (MRA), Missoula Chamber of Commerce, Missoula Organization of Realtors (MOR), the Convention & Visitor Bureau (CVB), local realtors, etc.
 - a. Increase the visibility of the listing with prominent links on the home pages or relocation pages of partner web sites (as the Missoula Downtown Association has done).
 - b. Encourage property owners, managers, and realtors to list (or link) properties on the inventory site.
 - b. Within the Downtown Study Area, focus on priority areas for commercial and technology development: Broadway corridor (east/west), upper floors in the Retail Hot Spot, Depot Square, and the Triangle site.
 - c. Provide information to property owners and realtors about amenities needed by businesses (broadband access, network wiring, upgrades to windows and amenities in older buildings, etc.), and resources.
2. Create an Economic Development Strategy for Missoula, led by MAEDC, identifying top priority targeted business sectors, and strategies for retention, expansion, start-up, and recruitment within each sector.
 - a. The business cluster and shift-share analyses contained in this report provide a starting point for identification of target business sectors and sub-sectors.
 - b. Include all Missoula-area organizations who are involved in economic and business development in the planning process (see section 6), in order to clarify roles and increase coordination among them.
 - c. Identify specific targets for the Downtown Study Area, and implement expansion/recruitment efforts.
3. Improve Downtown infrastructure and services to support business development.
 - a. Conduct a comprehensive assessment of broadband needs in the Downtown Study Area, and develop a strategy for provision of redundant broadband service.
 - b. Provide assistance to property owners to encourage modernization of older Downtown buildings (windows, wiring) to address business needs. Consider incentive options (assessment and cost estimating assistance, bundling of upgrade contracting services, low interest loans, etc.).
 - c. Address public safety concerns for downtown workers and customers (lighting – especially in parking areas and parking access corridors, transients, traffic speed).
 - d. Address parking needs of downtown workers, including a parking management system with designated parking areas and parking contracts for business owners/managers and their employees. Improve visibility of customer parking through circulation and wayfinding.
 - e. Enhance downtown workforce housing options to encourage live/work/play opportunities.

- f. Expand transportation options for downtown workers (transit, light rail to Bitterroot Valley, bicycle corridors and bicycle parking options).
4. Work with County officials to retain county administrative and justice functions in downtown Missoula.
 - a. Retain justice functions in existing courthouse, using current administrative offices for future expansion needs. Upgrade building to ADA standards, and design to meet projected justice employment growth and space needs.
 - b. Identify a location to consolidate County administrative functions on one site, possibly co-located with City offices, with capacity to meet a 20-year projected need of 45,000 s.f., plus parking (noting that the County provides bus passes to employees).
 - c. Evaluate options for a public safety and EMS training center (retain downtown, or co-locate with detention center). Address locations of print shop, storage, and shop.
5. Continue to expand health care and related services in downtown Missoula.
 - a. Support implementation of the St. Patrick's expansion, including patient facilities, additional parking, medical clinic, and meeting and office space. Assist with physician recruitment efforts as needed.
 - b. Identify opportunities to expand the Neuro-Sciences Institute and Cancer Institute joint ventures between St. Patrick's and the University of Montana.
 - c. Support new product development generated by the International Heart Institute and other research and commercialization entities in the areas of neurology, cardiac, environmental, and transitional medicine.
 - d. Support continued expansion of the UM Pharmacy program.
 - e. Advocate for reinstatement of a Nursing program at the University of Montana, to help address nursing shortages in western Montana (Missoula, Kalispell, Butte, etc.). Work with the Board of Regents and Legislature to approve the program, using equipment and facilities already in place at UM.
 - f. Evaluate opportunities to develop an independent/assisted senior living complex near the hospital.
6. Encourage commercial and high tech/information business development along the Broadway corridor to enlarge the customer base for downtown retail, dining, and arts events.
 - a. Develop a strategy to site growing MonTEC businesses along Broadway or in upper stories of other downtown buildings as appropriate.
 - b. Create a biotech research and development facility or "campus" with businesses clustered in the Triangle and/or Madison/Broadway areas, similar to the SIRTl Technology Center in Spokane (www.sirti.org).
 - c. Use BID/URA resources in coordination with telecom providers to upgrade broadband quality and other infrastructure in the Broadway corridor and Retail Hot Spot areas.

7. Coordinate with the University of Montana as they implement their Master Plan for expansion.
 - a. Evaluate options for College of Technology expansion adjacent to campus.
 - b. Expand the nursing program in cooperation with regional hospitals to fill workforce gaps.
 - c. Consider siting the Montana Museum of Arts and Culture in Downtown Missoula, to generate higher visitation levels, and create synergy with downtown hospitality and cultural businesses and attractions.
 - d. Enhance ties between the Mansfield Center and downtown businesses/organizations who have international markets/constituents, local arts and cultural events, K-12 schools, and the Missoula Sister City Program. Seek opportunities to develop international linkages with Asia consistent with the Center's mission.
8. Develop a studio business center/incubator for artisans and craftsmen, with street level "viewer-friendly" studio spaces and retail space, shared office support services, and upper level residences for artists.
 - a. Coordinate with the SBDC, MCC, MDA, UM internship program, and other organizations to provide business planning and assistance, low interest loans, etc. for incubator tenants.
 - b. Seek grant funds for development of the incubator facility.
9. Identify opportunities for additional tourism and recreation business development (for more tourism-related goals and actions, refer to the Tourism Recommendations report for the Downtown Master Plan).
 - a. Encourage guided/interpretive experiences, to enrich and lengthen visitor stays in the Missoula area.
 - b. Support recreation equipment development and testing in the Missoula area, which is surrounded by an extraordinarily diverse outdoor testing "lab".
10. Encourage expansion of the media/communications/broadcasting sector in Missoula, in both traditional and online media.
 - a. Showcase Missoula's media talent through events such as the film festivals, awards, etc.
 - b. Provide focused assistance to this sector, which is using new media to serve global clients, and represents a young segment of the population.
 - c. Create opportunities for media sector and other "lone eagle" businesses to network via social events to encourage cross-sector discussions and mutual support.
11. Support growth in the nonprofit organization sector in Missoula.
 - a. Work with the Montana Nonprofit Association (MNA), National Council of Nonprofit Associations, Artist Trust (www.artisttrust.org), and others to provide training and other resources to Missoula nonprofits.
 - b. Enhance efforts to recruit "volun-tourists" and national service workers as a collaborative effort between the CVB, MDA, Missoula Nonprofit Network, Missoula Cultural Council, etc., where nonprofits list volunteer opportunities on local, state, and national volun-tourism and civic service web sites.

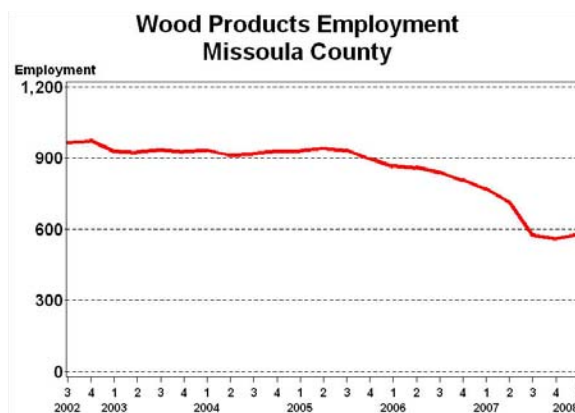
2. Missoula Key Industries

2.1 Overview

Key sectors emerging as strengths in Missoula are health sciences/biotechnology, media/ broadcasting and communications, data processing/hosting, wildland/wildlife management and environmental restoration, waste management and remediation, performing arts, recreation, and nonprofit associations. These sectors, along with professional/technical services, are supported by strong programs at the University of Montana.



Missoula also is the headquarters for the U.S. Forest Service Northern Region, an area encompassing 25 million acres across five states. Included are twelve national forests located in northeastern Washington, northern Idaho, and Montana; the national grasslands in North and South Dakota; a Wilderness Research Institute; and Forest Sciences and Fire Sciences Labs in Missoula. Missoula's early growth was driven by the forest products industry, which supplied lumber and wood fuel for Montana's mining districts in Butte and



Anaconda. In 2006, about 1,100 jobs in Missoula were directly related to wood products manufacturing and forestry, but the number dropped to 650 in 2007 (countywide), and to 580 in early 2008.

From September 2007 to September 2008 in Missoula, the economic downturn caused job losses in natural resources (-2.4%), construction (-6%), the financial sector (-2.7%), and professional/business services (-3.4%). Meanwhile, trade/transportation/utilities, information, education/health, and other services all had employment growth of more than 2% during that same twelve month period.

Missoula County sustains an agricultural base of nearly 260,000 acres in farmland, with the average farm being 400 acres. Most of the farms are family businesses, owner-operated as secondary occupations, with gross receipts of less than \$100,000 annually. The farms raise cattle and horses, with some sheep, bison, and hogs. Crop production includes hay and grass silage, wheat, barley, and oats. The average age of the farm operators is 56.5.

The agricultural sector provides products that can be used for value-added specialty foods, beverages, and textiles linked to Missoula restaurants, retailers, and manufacturers (i.e., natural beef, natural wool, barley for microbrew beer, etc.). The average age of the farm operators indicates the potential for significant land development and population growth in the future as the operators retire and farmlands are taken out of production, unless working lands are preserved through encouragement of sustainable agri-business education in K-12 and university programs, land trusts, conservation easements, etc.

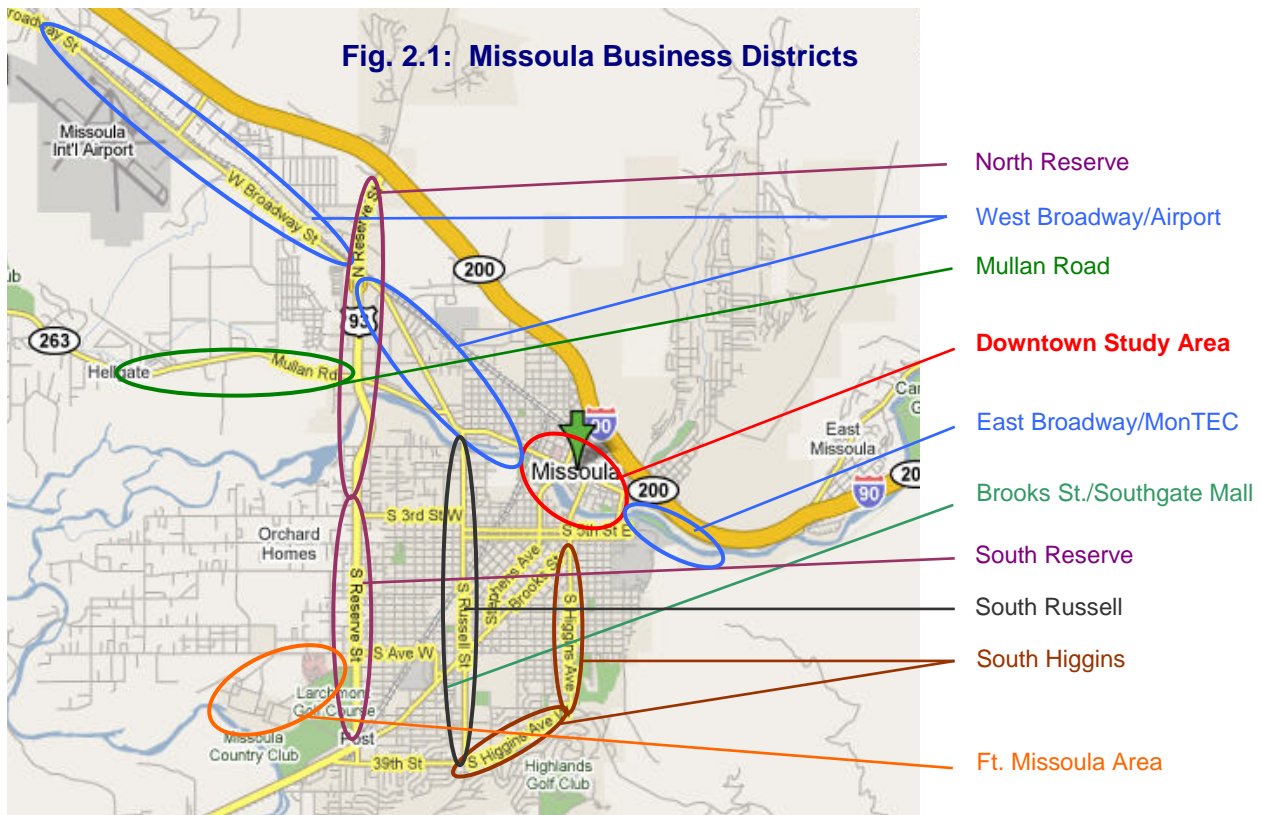
Sources: Montana Census and Economic Center, Montana Dept. of Commerce, U.S. Bureau of Economic Analysis, Univ. of Montana O'Connor Center for the Rocky Mountain West, UM Bureau of Business & Economic Research (BBER), Institute for Tourism & Recreation Research (ITRR), and USDA Forest Service.

2.2 Missoula Business Districts

Missoula has several commercial districts that are centers of retail, commercial, technology, government, and industrial activity (see map below). In the **Downtown study area**, retail activity is centered along north Higgins and its cross streets, along Broadway, and on Higgins south of the river in the “Hip Strip” area. Retail districts also are concentrated on **Brooks Street (U.S. 93)**, including **Southgate Mall**, and on **Reserve Street (U.S. 93)** between Brooks Street and Interstate 90 (a district dominated by big box stores, strip centers, and category killer centers). Tourist-oriented services are located near the freeway exits, along Brooks and Reserve Streets (U.S. 93 corridor), near the airport, and in/adjacent to Downtown near the University of Montana.

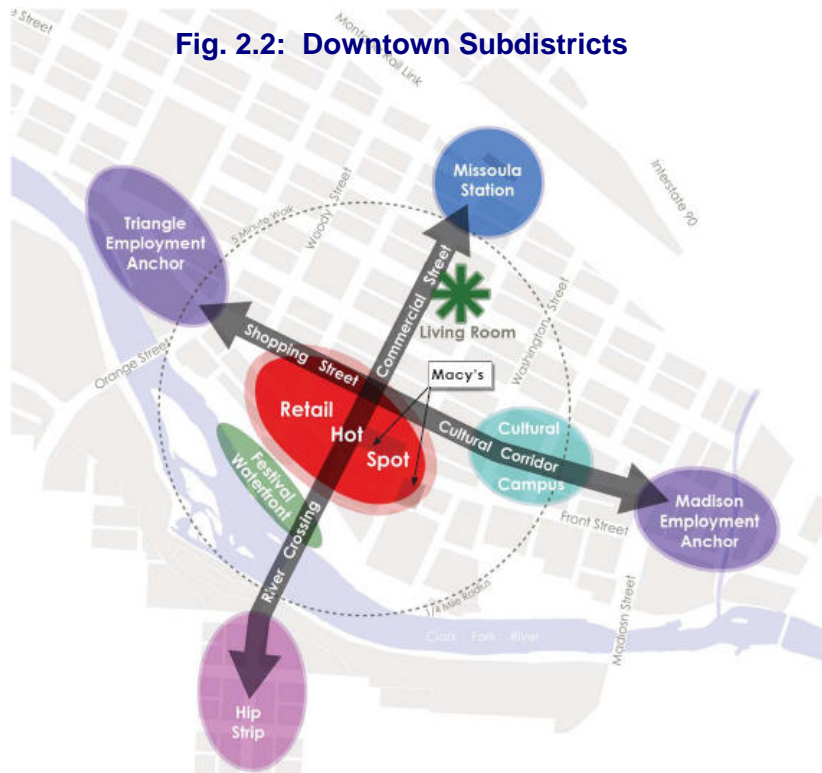
Professional, technical, medical, and government services are concentrated in the Downtown area and along **Broadway**, anchored by the Montana Technology Enterprise Center (MonTEC) on the east end, and by St. Patrick’s Hospital and Health Sciences Center, including the International Heart Institute, on the west end. USDA Forest Service offices, including the Supervisor’s Office for the Lolo National Forest, and Community Medical Center, are located in the **Ft. Missoula area**. There is some technology development and light manufacturing at the **Development Park** near the airport.

Industrial development is concentrated along **Highway 10 West** near and west of the airport, between West Broadway and **Interstate 90**, between Broadway and Reserve, and in West Riverside and Milltown east of Missoula.



Downtown Subdistricts

The map below shows the major corridors and subdistricts within the Downtown Study Area: the Retail Hot Spot, Higgins Corridor, Broadway Corridor, and the Hip Strip. The table below summarizes the employment and sales of each area, including North Higgins, East and West Broadway, the Hot Spot, Hip Strip, and other areas east and west of Higgins.



Employment and Sales by District

The tables below and on the next page summarize the number of employees and sales volume of companies with ten or more employees in each subdistrict of the Downtown Study Area, and in other areas of Missoula. The sales figures represent only private for-profit organizations.

Fig. 2.3: 2007 Downtown Employment and Sales

Downtown Study Area	Employees (10+)		Sales Volume	
Downtown - East Broadway	1,001	9%	\$145,997,000	11%
Downtown - North Higgins	322	3%	47,060,000	4%
Downtown - Hip Strip	608	6%	65,754,000	5%
Downtown - Retail Hot Spot	1,510	14%	358,193,000	28%
Downtown - Other East of Higgins	1,053	10%	61,325,000	5%
Downtown - Other West of Higgins	2,209	21%	166,939,000	13%
Downtown - West Broadway	3,921	37%	428,136,000	34%
TOTALS	10,624	100%	\$1,273,404,000	100%

Fig. 2.4: Other Missoula Area Employment and Sales 2007				
Missoula Area (outside Downtown)	Employees (10+)		Sales Volume	
East Broadway	129	0.4%	15,890,000	0.2%
West Broadway	3,407	10.6%	829,494,000	11.2%
Brooks Street	2,617	8.2%	417,211,000	5.6%
Brooks Street, near Mall	1,123	3.5%	139,812,000	1.9%
Other areas, near Mall	641	2.0%	802,020,000	10.8%
Other areas, near UM	1,945	6.1%	33,735,000	0.5%
Fort Missoula	2,415	7.5%	230,668,000	3.1%
North Reserve Street	4,330	13.5%	1,019,314,000	13.8%
South Reserve Street	1,318	4.1%	260,605,000	3.5%
North Russell Street	243	0.8%	62,087,000	0.8%
South Russell Street	2,022	6.3%	336,497,000	4.6%
South Higgins Avenue	631	2.0%	117,538,000	1.6%
Mullan Road	567	1.8%	64,619,000	0.9%
Other areas	10,717	33.4%	3,064,993,000	41.4%
TOTALS	32,105	100.0%	\$7,394,483,000	100.0%

Sales volume generated by businesses in the Downtown Study Area represents about 15% of Missoula's \$8.7 billion economy, based on total sales of establishments with 10 or more employees. Within downtown, the West Broadway area (including the hospital) generates about one-third of the sales, followed by the Retail Hot Spot area.

The **Montana Technology Enterprise Center (MontEC)** on East Broadway (just outside the Study Area) is a technology-based business incubator partnership between the Missoula Area Economic Development Council (MAEDC) and the University of Montana. Current tenants include the MAEDC (facility management), Missoula Convention & Visitor Bureau (marketing of Missoula and tourism development), Palm, Inc. (mobile computing), Sunburst Sensors (manufacturer of SAMI™ instrument to measure and log levels of dissolved chemicals in sea and fresh water), The Northern Rockies Geospatial Training Center (training facility for high-tech workforce), Advanced MagLev/Alternative Energy Technologies, AquilaVision (remote sensing instruments and management strategies for security, law enforcement, and natural resource operations), Camas Creek (forest management and biomass utilization consulting), Celcorp (enterprise software), Geodata Services Inc. (GIS service consulting), Glacier Country (regional tourism), Iconnect, Linc Group (online learning systems), Lupine Logic (IT/geospatial service and product firm), Cisco Systems, Inc. (networking for the Internet), Montana Dept. of Commerce Regional Development Office and Small Business Development Center, Missoula Cultural Council (coordination and support of arts and culture in Missoula), Montana Renewables, PTAC, Starbird Associates, Sustainable Systems (biobased products), Purity Systems Inc. (production and commercialization of innovative chelating ion exchange resins), and Westcraft Homes. As these companies and organizations outgrow the incubator, they will need to relocate to other areas in Missoula.

2.3 Business Clusters

Missoula has clusters of businesses and organizations, including research institutions, in the following sectors and subsectors: environmental restoration and wild land/wildlife management, arts and culture, health care and health sciences, technology and communications, tourism and recreation, biotechnology, transportation, alternative energy, nonprofit membership associations, value-added agriculture and wood products, ag/wood research, and professional/technical services.

In order to further analyze the business community, an inventory of all Missoula businesses with ten or more employees was created. The business inventory was limited to businesses with ten or more employees because it has been the experience of the consulting team that those companies with greatest impact on the local economy begin at this level. Moreover, company potential for growth increases significantly as the number of employees exceeds the 10 limit minimum.

The inventory reveals a local economy of nearly \$8.7 billion in goods and services sales annually among these companies. The sales are distributed among the major sectors of the economy as shown in the table below.

Fig. 2.5: Missoula Business Inventory 2007						
(10 employees or more sorted by number of employees)						
Sector	Establishments	Employees	Sales		Sales/ Establishment	Sales/ Employee
Services	416	18,403	\$1,709,887,000		\$ 4,110,305	\$ 92,913
Retail	316	10,910	2,242,241,000		7,095,699	205,522
Government	79	2,907	0		n/a	n/a
FIRE	67	2,194	1,309,852,000		19,550,030	597,015
Manufacturing	46	2,031	720,613,000		15,665,500	354,807
Wholesale	66	1,855	1,799,142,000		27,259,727	969,888
Logistics/Transportation	29	1,295	286,652,000		9,673,133	222,201
Contractor Services	51	1,251	309,619,000		6,070,961	247,497
Communications	12	408	110,186,000		9,182,167	270,064
Utilities	8	310	179,535,000		22,441,875	579,145
Total	1,090	41,564	\$8,667,727,000			
Average		4,156	\$866,772,700		\$13,473,424	\$393,134

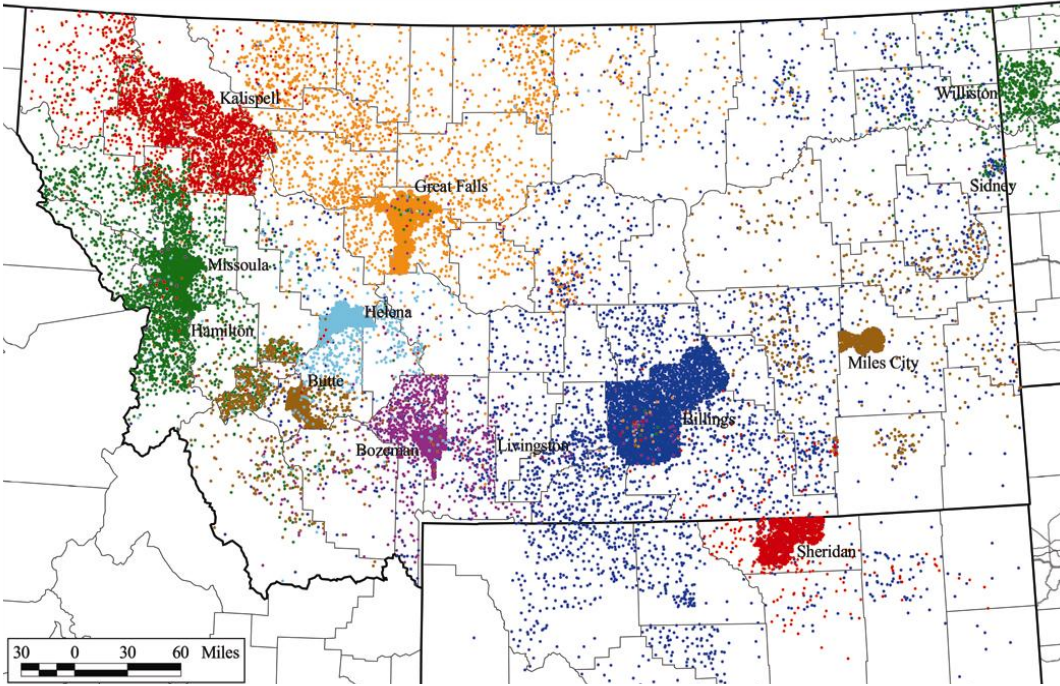
The strongest sectors of the local economy, in terms of jobs created, include:

- ◆ Services/Retail/FIRE (Finance, Insurance, Real Estate)
- ◆ Government
- ◆ Manufacturing/Wholesale/Logistics/Transportation

The inventory provides further support for the strengths of the local economy that were presented previously in this report. Moreover, the purchasing power of the residential sector is evident by the strength of job creation in the Retail and Services sectors.

The map below shows the service area for Missoula hospitals, an area consistent with its overall trade area. Population growth in Flathead County and a new medical center in Kalispell has increased patient census in that community, perhaps pulling some medical business away from Missoula. St. Patrick's Regional Medical Center is planning an expansion to add more inpatient beds and services. As of this writing, the project was still in the evaluation and planning stages, and figures were not available regarding projected additional square feet or employment.

Figure 2.6: Service Areas of Montana's Largest Hospitals



Each Dot Represents 2 In-Patient Discharges by 5-digit Zip Codes

Missoula (14,120)	Sheridan (2,942)	Williston (1,597)	Miles City (2,104)	Kalispell (6,066)
Helena (5,138)	Great Falls (13,596)	Butte (5,716)	Bozeman (4,317)	Billings (19,215)

Source: MT Dept. of Health and Environmental Sciences and Individual Hospitals

2.4 Employment by Sector

The table below and on the next page shows the number of establishments, employment, and wages of business sectors in Missoula in 2006. Those highlighted represent subsectors employing 800 or more people at that time.

Fig. 2.7: Employment by Industry - Annual Averages 2006

Industry	Number of Establishments	Avg Annual Employment	Annual Wages Per Job
TOTAL ALL INDUSTRIES	4292	54,440	\$30,664
TOTAL PRIVATE	4184	45,800	\$29,161
AGRICULTURE, FORESTRY, FISHING & HUNTING	85	399	\$40,384
Crop production	6	51	\$35,520
Animal production	6	25	\$41,892
Forestry and logging	47	220	\$35,185
Agriculture & forestry support	26	104	\$53,496
MINING	7	28	\$49,758
Mining, except oil and gas	2	*	*
Support activities for mining	5	*	*
UTILITIES	7	174	\$60,804
CONSTRUCTION	535	3,187	\$34,858
Construction of buildings	187	821	\$31,574
Heavy and civil engineering construction	47	686	\$47,360
Specialty trade contractors	301	1,680	\$31,360
MANUFACTURING	126	2,700	\$41,636
Food manufacturing	12	333	\$30,542
Beverage and tobacco product mfg	6	177	\$31,702
Textile mills	2	*	*
Textile product mills	3	6	\$18,892
Leather and allied product manufacturing	2	*	*
Wood product manufacturing	16	844	\$37,659
Paper manufacturing	2	*	*
Printing and related support activities	12	99	\$26,663
Chemical manufacturing	4	49	\$45,294
Plastics & rubber products manufacturing	2	*	*
Nonmetallic mineral product mfg	8	59	\$30,156
Primary metal manufacturing	1	*	*
Fabricated metal product manufacturing	13	88	\$34,086
Machinery manufacturing	5	39	\$45,365
Computer and electronic product mfg	2	*	*
Transportation equipment manufacturing	2	*	*
Furniture and related product mfg	14	163	\$27,310
Miscellaneous manufacturing	21	292	\$41,883
WHOLESALE TRADE	203	2,056	\$41,705
Merchant wholesalers, durable goods	117	1,226	\$45,301
Merchant wholesalers, nondurable goods	45	732	\$32,437
Electronic markets & agents and brokers	41	99	\$65,772
RETAIL TRADE	515	8,225	\$21,686
Motor vehicle and parts dealers	67	1,000	\$35,838
Furniture and home furnishings stores	36	299	\$27,132
Electronics and appliance stores	26	347	\$23,386
Building material & garden supply stores	46	830	\$29,710
Food and beverage stores	39	1,128	\$17,574
Health and personal care stores	27	199	\$26,828
Gasoline stations	44	520	\$14,075
Clothing and clothing accessories stores	66	627	\$13,264
Sporting good, hobby, book, music stores	52	770	\$14,012
General merchandise stores	19	1,703	\$20,858
Miscellaneous store retailers	71	539	\$16,953
Nonstore retailers	23	264	\$20,474

Fig. 2.7: Employment by Industry - Annual Averages 2006 (CONTINUED)

Industry	Number of Establishments	Avg Annual Employment	Annual Wages Per Job
TRANSPORTATION AND WAREHOUSING	132	1,693	\$34,883
Air transportation	11	136	\$31,494
Truck transportation	75	933	\$39,562
Transit and ground passenger transport	7	190	\$16,720
Pipeline transportation	1	*	*
Support activities for transportation	24	202	\$32,676
Couriers and messengers	10	189	\$36,409
Warehousing and storage	4	30	\$15,222
INFORMATION	93	1,209	\$38,481
Publishing industries, except Internet	22	296	\$34,244
Motion picture, sound recording industry	12	87	\$9,579
Broadcasting, except Internet	14	240	\$34,721
Internet publishing and broadcasting	5	*	*
Telecommunications	22	372	\$57,076
ISPs, search portals, & data processing	17	207	\$28,050
Other information services	2	*	*
FINANCE AND INSURANCE	227	1,695	\$43,477
Credit intermediation & related activity	91	933	\$37,797
Securities, comm. contracts, investments	41	*	*
Insurance carriers & related activities	93	627	\$47,316
Funds, trusts, other financial vehicles	1	*	*
REAL ESTATE AND RENTAL AND LEASING	197	900	\$22,479
Real estate	154	555	\$23,238
Rental and leasing services	41	*	*
Lessors of nonfinancial intangible asset	2	*	*
PROFESSIONAL AND TECHNICAL SERVICES	496	2,894	\$38,625
MANAGEMENT OF COMPANIES AND ENTERPRISES	14	232	\$59,622
ADMINISTRATIVE AND WASTE SERVICES	223	2,173	\$26,472
Administrative and support services	208	1,928	\$23,861
Waste management and remediation service	16	245	\$47,060
EDUCATIONAL SERVICES	51	468	\$18,902
HEALTH CARE AND SOCIAL ASSISTANCE	424	7,882	\$36,156
Ambulatory health care services	282	2,715	\$46,397
Hospitals	3	2,664	\$44,028
Nursing and residential care facilities	29	973	\$18,224
Social assistance	110	1,529	\$15,669
ARTS, ENTERTAINMENT, AND RECREATION	118	1,365	\$14,620
Performing arts and spectator sports	25	205	\$22,249
Museums, historical sites, zoos, & parks	3	10	\$27,583
Amusements, gambling, and recreation	90	1,150	\$13,150
ACCOMMODATION AND FOOD SERVICES	318	5,972	\$11,422
Accommodations	57	1,181	\$13,616
Food services and drinking establishments	261	4,791	\$10,881
OTHER SERVICES	414	2,545	\$21,627
Repair and maintenance	142	785	\$27,037
Personal and laundry services	61	474	\$17,669
Membership associations & organizations	164	1,209	\$19,987
Private households	48	78	\$16,628
TOTAL GOVERNMENT	108	8,639	\$38,633
Local Government	49	3,441	\$33,696
State Government	16	*	*
Federal Government	43	1,426	\$59,868

Source: Montana Department of Labor & Industry, Quarterly Census of Employment and Wages Program (QCEW)

* Data Not Disclosed

2.5 Business Location Quotient (LQ)

Location quotient analysis is used to determine the export capacity of a local economy, indicating the level of self-sufficiency in local business sectors. Location quotients are calculated by taking the ratio of the analysis industry employment in the study area to base industry employment in the study area and then dividing this by the ratio of the analysis industry employment in the base area to base industry employment in the base area. In this analysis, the study area was the Missoula Metropolitan Statistical Area (MSA), and the base area was the state of Montana and the U.S.

A location quotient below 1.0 is considered a non-basic industry, meaning it generally does not export outside of the MSA (or draw customers from outside the MSA). Those industries or business sectors with a LQ of greater than 1.0 are considered basic, or exporting, industries. They bring revenue into the MSA and provide jobs that support the non-basic secondary industries. The location quotient should not be used as a substitute for local knowledge of a community's basic industries.

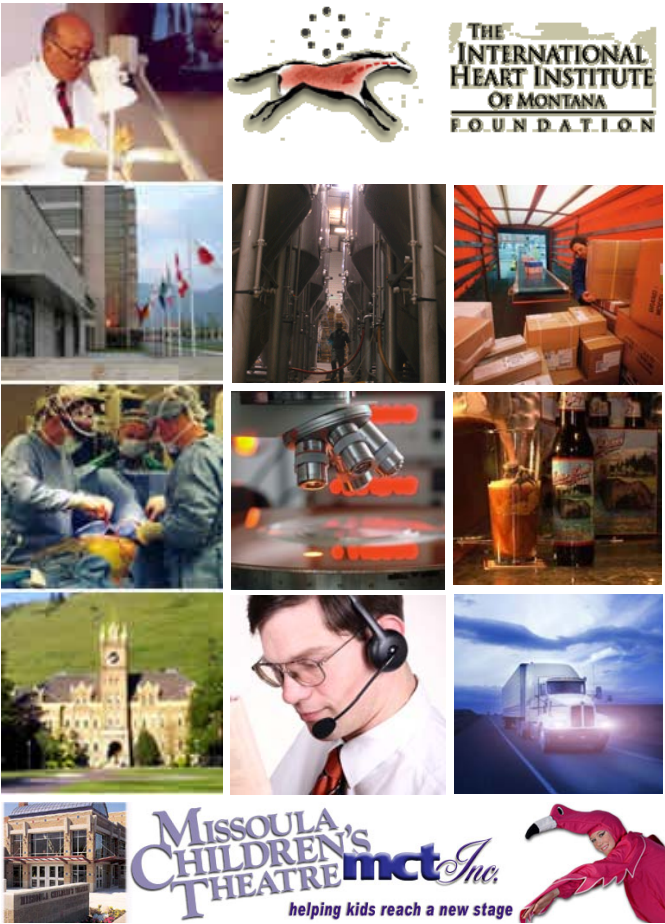
The table at right lists major industry sectors first (2-digit categories), then key subsectors (3-digit categories), comparing Missoula and Montana with national averages. In the major sectors, Missoula shows competitive (exporting) strength, indicated by blue and green shading, in retail trade (consistent with its regional trade center status); health care and social assistance (consistent with its regional medical centers); arts, entertainment, recreation, accommodations, and food services (consistent with its university community, location in major transportation corridors, and variety and quality of outdoor recreation opportunities); and other services.

An examination of key subsectors also reveals significant strengths in forestry and logging, wood products manufacturing, heavy and civil engineering

Location Quotient - Missoula, Montana		
Industry	Missoula	Montana
Base Industry: Total, all industries (NAICS)	1	1
11 Agriculture, forestry, fishing and hunting	0.85	1.24
21 Mining, quarrying, oil/gas extraction	0.11	3.85
22 Utilities	0.78	1.77
23 Construction	1.03	1.29
31-33 mfrg	0.47	0.47
42 Wholesale trade	0.86	0.91
44-45 Retail trade	1.32	1.19
48-49 Transportation and warehousing	0.99	0.84
51 Information	0.98	0.83
52 Finance and insurance	0.69	0.86
53 Real estate and rental and leasing	1.03	0.91
54 Professional and technical svcs	0.96	0.82
55 mgmt of companies and enterprises	0.32	0.22
56 Administrative and waste svcs	0.64	0.72
61 Educational svcs	0.52	0.60
62 Health care and social assistance	1.32	1.17
71 Arts, entertainment, and recreation	1.77	1.85
72 Accommodation and food svcs	1.32	1.34
81 Other svcs, except public admin	1.43	1.18
99 Unclassified	0.07	0.35
113 Forestry and logging	7.90	4.83
237 Heavy & civil engineering construction	1.73	1.89
311 Food mfrg	0.56	0.59
312 Beverage & tobacco product mfrg	2.23	1.34
321 Wood product mfrg	3.74	2.75
337 Furniture and related product mfrg	0.72	0.58
441 Motor vehicle and parts dealers	1.29	1.32
442 Furniture and home furnishings stores	1.26	1.21
443 Electronics and appliance stores	1.56	0.97
444 Building material/garden supply stores	1.55	1.54
446 Health and personal care stores	0.51	0.64
447 Gasoline stations	1.48	1.93
451 Sporting goods, hobby/book/music stores	2.90	1.79
452 General merchandise stores	1.42	1.14
453 Miscellaneous store retailers	1.50	1.41
454 Nonstore retailers	1.52	0.73
484 Truck transportation	1.61	1.10
512 Movie & sound recording industries	0.57	0.60
515 Broadcasting, except Internet	1.80	1.17
518 Data processing, hosting & related svcs	1.32	0.57
562 Waste mgmt and remediation svcs	1.74	0.86
611 Educational svcs	0.52	0.60
621 Ambulatory health care svcs	1.26	0.89
624 Social assistance	1.73	1.38
711 Performing arts and spectator sports	1.28	0.75
712 Museums, historical sites, zoos, parks	0.20	0.82
713 Amusements, gambling, and recreation	2.04	2.25
721 Accommodation	1.59	1.90
722 Food svcs and drinking places	1.27	1.24
811 Repair and maintenance	1.56	1.23
813 Membership associations/organizations	2.27	1.95

construction, beverage product manufacturing, truck transportation, broadcasting, data processing/hosting/related services, waste management and remediation, amusement/gambling/recreation, repair and maintenance, and membership associations.

The analysis also shows some interesting weaknesses (indicated by yellow shading) in comparison to statewide sector strengths: finance and insurance, administrative services, educational services, food manufacturing, furniture and related products, health and personal care stores, movie/sound recording, and museums/historic sites/parks.



2.6 Shift-Share Analysis

The table below and on the next page examines Missoula's economic structure compared to the state, or shift-share, which is composed of three indicators: economic growth, proportional shift, and differential shift. Economic growth is measured in terms of total employment in the state between two periods. Proportional shift measures the rate of growth in individual sectors compared to the total rate of growth in the state. Differential shift is used to determine the competitiveness of local economic sectors compared to the same sector at the state level. Shift-share analysis shows the relative rate of growth of a sector, while LQ shows the relative strength presence of a sector. A sector can have strong presence today (high LQ), but be declining (low shift-share). The comparison of the two factors can provide significant insight for economic development strategies.

In Missoula's case, sectors that appear to have an increasing shift-share compared to the state and nation (highlighted in blue and green) that did not appear to have a particularly strong presence in the LQ analysis are the following: mining/oil/gas or support activities, crop production, utilities, chemical manufacturing, nonmetal mineral manufacturing, merchant wholesalers of nondurable goods, electronic markets/agents, food/beverage stores, health/personal care stores, air transportation,

Shift Share Analysis									
Industry (NCICS)	Census Data						Shift Share		
	U.S. 2001	US 2006	Missla 2001	Missla 2006	MT 2001	MT 2006	Msla/ MT	Msla/ U.S.	MT/ U.S.
	Base Ind: Ttl all industries	109,304,802	112,718,858	41,292	45,807	306,790	346,275	-0.02	0.08
11 Ag/forestry/fish/hunt	1,170,570	1,160,179	335	399	4,152	4,430	0.12	0.20	0.08
21 Mining/quarry/oil/gas	535,189	616,598	7	28	5,191	7,296	2.59	2.85	0.25
22 Utilities	599,899	546,521	159	174	3,151	2,969	0.15	0.18	0.03
23 Construction	6,773,512	7,602,148	2,681	3,189	21,173	30,136	-0.23	0.07	0.30
31-33 mfg	16,386,001	14,110,663	2,894	2,700	21,463	20,168	-0.01	0.07	0.08
42 Wholesale trade	5,730,294	5,885,194	1,960	2,056	15,374	16,530	-0.03	0.02	0.05
44-45 Retail trade	15,179,753	15,370,040	7,191	8,222	53,596	56,159	0.10	0.13	0.04
48-49 Transp'n/warehsg	4,138,146	4,204,514	1,744	1,693	10,228	10,786	-0.08	-0.05	0.04
51 Information	3,591,995	3,040,577	1,309	1,209	7,940	7,736	-0.05	0.08	0.13
52 Finance and insurance	5,642,689	6,007,468	1,665	1,695	13,724	15,956	-0.14	-0.05	0.10
53 Real estate/rent/lease	2,036,285	2,154,595	658	899	4,986	6,052	0.15	0.31	0.16
54 Prof'l/tech'l services	6,871,441	7,392,850	2,222	2,894	15,534	18,579	0.11	0.23	0.12
55 Mgmt of co's/enterp	1,716,130	1,785,257	326	232	1,251	1,222	-0.27	-0.33	-0.06
56 Admin/waste services	7,737,320	8,291,573	2,082	2,173	14,932	18,215	-0.18	-0.03	0.15
61 Educational services	1,883,564	2,207,199	350	468	3,206	4,097	0.06	0.17	0.11
62 Healthcare/social asst	12,966,103	14,709,028	7,211	7,882	46,103	53,087	-0.06	-0.04	0.02
71 Arts, entertain, rec'n	1,784,330	1,901,194	1,128	1,365	7,760	10,819	-0.18	0.14	0.33
72 Accommod'n/food svc	10,100,636	11,123,421	5,005	5,978	41,627	45,940	0.09	0.09	0.00
81 Oth svcs, x public adm	4,206,345	4,364,889	2,348	2,545	15,028	15,833	0.03	0.05	0.02
99 Unclassified	254,603	244,951	15	7	372	266	-0.25	-0.50	-0.25
111 Crop production	563,580	540,682	35	51	916	883	0.49	0.50	0.00
112 Animal production	202,307	215,578	44	25	1,677	1,998	-0.62	-0.50	0.13
113 Forestry & logging	77,420	68,490	174	220	1,119	1,016	0.36	0.38	0.02
114 Fish/hunt/trap	11,216	8,748	NC	NC	27	6			-0.56
115 Ag/forestry supp act	316,047	326,680	84	104	413	527	-0.04	0.20	0.24
211 Oil/gas extraction	123,599	134,858	NC	NC	490	607			0.15
212 Mining, x oil/gas	220,484	219,243	ND	ND	3,662	4,152			0.14
213 Mining support act	191,106	262,498	ND	ND	1,039	2,537			1.07
221 Utilities	599,899	546,521	159	174	3,151	2,969	0.15	0.18	0.03
236 Constrn of bldgs	1,567,615	1,789,953	589	821	6,238	8,909	-0.03	0.25	0.29
237 Heavy constr'n	950,385	974,697	518	686	4,424	5,658	0.05	0.30	0.25
238 Spec trade cntrctrs	4,255,511	4,837,498	1,574	1,682	10,511	15,570	-0.41	-0.07	0.34
311 Food mfg	1,554,605	1,470,037	297	333	2,325	2,643	-0.02	0.18	0.19
312 Bev/tobacco mfg	207,285	195,253	147	177	762	805	0.15	0.26	0.11
314 Textile prod mills	203,341	160,558	19	6	215	186	-0.55	-0.47	0.08
315 Apparel mfg	426,027	238,684	ND	NC	102	129			0.70
316 Leather prod mfg	59,571	36,667	11	ND	72	60			0.22
321 Wood prod mfg	570,296	555,237	965	844	5,360	4,689	0.00	-0.10	-0.10
323 Printg/related supp	765,258	632,677	131	99	1,025	1,109	-0.33	-0.07	0.26
324 Petroleum/coal mfg	120,967	113,056	ND	NC	929	951			0.09
325 Chemical mfg	954,204	860,169	16	49	632	682	1.98	2.16	0.18
326 Plastics/rubber mfg	894,801	793,246	15	ND	269	317			0.29
327 Nonmet mineral mfg	543,042	510,769	37	59	1,033	994	0.63	0.65	0.02
331 Primary metal mfg	569,917	463,139	ND	ND	881	357			-0.41
332 Fab metal prod mfg	1,668,100	1,545,100	98	88	1,241	1,408	-0.24	-0.03	0.21
333 Machinery mfg	1,360,793	1,178,059	51	39	1,767	1,427	-0.04	-0.10	-0.06
334 Computer/elect mfg	1,748,134	1,303,575	8	ND	671	535			0.05
335 Elec equip/applc mfg	552,013	431,701	ND	NC	118	179			0.73
336 Transp'n equip mfg	1,924,338	1,756,024	ND	ND	532	580			0.18
337 Furnitr/rel prod mfg	642,820	557,036	187	163	1,051	998	-0.08	0.01	0.08
339 Misc mfg	713,389	647,383	358	292	1,810	1,546	-0.04	-0.09	-0.05

transportation support activities, real estate, professional/technical services, educational services, and personal and laundry services.

Sectors that have a declining shift-share compared to the state and nation (highlighted in yellow) that did appear to have an average or strong presence in the LQ analysis are specialty trade contractors, miscellaneous manufacturing, general merchandise stores, truck transportation, credit intermediation/related services, and ambulatory services.

These declining sectors may represent red flags for economic developers and future employment strategies, and should be explored further.

The tables are based on 2007 data, when real estate and construction still were showing increases, so the declines in sectors like specialty trade contractors and furniture and related products manufacturing are surprising. The decline in general merchandise stores may be

related to new specialty retail development (category killers) and opening of general merchandise stores like Wal-Mart in other communities within Missoula's trade area. The comparative declines in truck transportation and ambulatory services require further investigation.

Industry (NCICS)	Census Data						Shift Share		
	U.S. 2001	US 2006	Missla	Missla	MT	MT	Msla/	Msla/	MT/
			2001	2006	2001	2006	MT	U.S.	U.S.
423 Merch whls-dur gds	3,107,717	3,069,341	1,219	1,226	7,983	8,479	-0.06	0.02	0.07
424 Merch whls-nondur	2,015,929	2,029,836	689	732	6,609	6,730	0.04	0.06	0.01
425 Elec mktls/agents	606,647	786,017	52	99	783	1,321	0.22	0.61	0.39
441 Motor veh/parts dlrs	1,856,064	1,906,881	955	1,000	7,225	7,717	-0.02	0.02	0.04
442 Furn/frnshgs stores	537,966	583,158	200	299	1,660	2,167	0.19	0.41	0.22
443 Elec/applnce stores	556,650	548,428	233	347	1,659	1,633	0.50	0.50	0.00
444 Bldg mtls/garden sup	1,139,984	1,320,141	716	830	5,008	6,234	-0.09	0.00	0.09
445 Food/bev stores	2,938,640	2,814,441	861	1,128	9,089	9,381	0.28	0.35	0.07
446 Health/psl care	938,180	966,649	94	199	1,564	1,912	0.89	1.09	0.19
447 Gasoline stations	919,932	860,592	492	517	6,103	5,095	0.22	0.12	-0.10
448 Clothing/access	1,324,010	1,451,429	372	627	2,822	3,265	0.53	0.59	0.06
451 Sptg gds/bk/mus	682,063	654,302	758	770	3,289	3,595	-0.08	0.06	0.13
452 Gen merch stores	2,820,331	2,951,162	1,712	1,703	9,812	10,350	-0.06	-0.05	0.01
453 Misc store retailers	990,730	886,588	529	539	4,214	3,851	0.11	0.12	0.02
454 Nonstore retailers	475,204	426,269	269	264	1,151	960	0.15	0.08	-0.06
481 Air transpn	614,946	481,156	124	136	767	790	0.07	0.31	0.25
484 Truck transpn	1,382,991	1,423,705	1,059	933	4,955	4,811	-0.09	-0.15	-0.06
485 Transit transp'n	371,554	393,052	197	190	1,376	1,322	0.00	-0.09	-0.10
487 Sightseeg transpn	30,682	27,346	ND	NC	ND	ND			
488 Transpn supp act	530,456	568,280	149	202	1,231	1,594	0.06	0.28	0.22
492 Couriers/messngrs	596,899	576,922	176	189	1,402	1,730	-0.16	0.11	0.27
493 Warehsg/storage	510,640	630,119	ND	ND	190	ND			
511 Publishg industries	1,014,282	899,005	313	296	2,283	2,167	0.00	0.06	0.06
512 Movie/sound rcrdng	366,789	372,585	ND	87	733	685			-0.08
515 Broadcastg, x Int	342,321	327,935	195	240	1,235	1,177	0.28	0.27	0.00
516 Internet publishg	43,613	34,668	ND	ND	21	31			0.68
517 Telecom'ns	1,292,342	970,164	448	372	3,010	2,962	-0.15	0.08	0.23
518 Data process/host	486,654	385,145	180	207	625	677	0.07	0.36	0.29
519 Other info services	45,994	51,076	ND	ND	34	37			-0.02
522 Credit intermedn/rel	2,592,373	2,922,180	837	933	7,423	8,813	-0.07	-0.01	0.06
523 Secrts/comdit/invest	833,436	821,799	ND	ND	1,236	1,269			0.04
524 Ins carriers/related	2,106,882	2,150,123	688	627	4,897	5,723	-0.26	-0.11	0.15
531 Real estate	1,336,683	1,489,841	358	555	2,853	3,792	0.22	0.44	0.21
532 Rental/leasing svcs	670,192	637,231	ND	ND	1,984	2,095			0.11
533 Lessors-nonfin'l	29,410	27,523	ND	ND	149	165			0.17
541 Profess'l/Tech Svcs	6,871,441	7,392,850	2,222	2,894	15,534	18,579	0.11	0.23	0.12
551 Mgmt of co's/enterp	1,716,130	1,785,257	326	232	1,251	1,222	-0.27	-0.33	-0.06
561 Admin/support svcs	7,421,797	7,945,578	1,928	1,929	14,259	17,297	-0.21	-0.07	0.14
562 Waste mgmt/remedn	315,523	345,995	154	244	673	918	0.22	0.49	0.27
611 Educational services	1,883,564	2,207,199	350	468	3,206	4,097	0.06	0.17	0.11
621 Ambulatory services	4,453,597	5,285,931	2,559	2,715	12,871	14,519	-0.07	-0.13	-0.06
622 Hospitals	4,007,430	4,371,529	ND	ND	17,884	20,536			0.06
623 Nursing/resid'l facil	2,657,817	2,879,253	ND	ND	8,257	8,827			-0.01
624 Social assist	1,847,259	2,172,315	1,230	1,530	7,091	9,206	-0.05	0.07	0.12
711 Perfg arts/spec sprts	378,128	392,718	ND	205	653	908			0.35
712 Msm/hist sites/parks	114,796	121,041	ND	10	285	306			0.02
713 Amus/gaming/rec'n	1,291,406	1,387,436	951	1,150	6,822	9,605	-0.20	0.13	0.33
721 Accommodation	1,827,321	1,826,247	755	1,182	9,838	10,638	0.48	0.57	0.08
722 Food/drink places	8,273,315	9,297,174	4,250	4,796	31,789	35,302	0.02	0.00	-0.01
811 Repair/maintenance	1,249,565	1,240,722	788	785	4,703	4,673	0.00	0.00	0.00
812 Psnl/laundry svcs	1,250,104	1,284,269	417	474	2,680	2,734	0.12	0.11	-0.01
813 Memb assns/orgns	1,272,987	1,312,650	1,057	1,209	7,012	7,852	0.02	0.11	0.09
814 Private households	433,690	527,249	86	78	632	574	0.00	-0.31	-0.31
999 Unclassified	254,603	244,951	15	7	372	266	-0.25	-0.50	-0.25

3. Potential Opportunities for Employment Growth

Employment growth in Missoula will occur primarily in sectors with the capacity to increase exports of goods or services (basic industries), or those which derive revenues from increased tourism. Employment growth in secondary (non-basic) industries will occur mainly as a result of growth in the basic industries, as well as from local population growth, and increased tourism. The University of Montana's \$70 million per year research programs also support local development efforts. The sections below identify potential growth opportunities in specific sectors of Missoula's economy.

3.1 Environmental Restoration and Wildland/Wildlife Management

The proximity of Missoula to national forests, national parks, and wilderness areas, along with significant holdings of private wild lands, provides an ideal setting for this growing business sector. Opportunities include expanded research; project development, management, and monitoring; contracts with private, state, and federal land owners/managers; equipment and technology development; and conferences and symposia. Resources to support growth in this sector include the UM, MonTEC, the USFS research facilities, businesses, Wildlife Media Center, Rocky Mountain Elk Foundation, etc.

3.2 Health Care and Health Sciences, including Biotechnology

By 2014, the health care industry in the United States is projected to account for an estimated 17 percent of the national GDP, or more than \$3 trillion.⁴ As the Missoula area and state populations continue to grow and age, health care increasingly will be in demand. In addition, nationally-recognized specialists in the areas of biotechnology, cardiac care, neurology, and transitional medicine are located in Missoula. Opportunities in this sector include expanded services for Missoula's regional trade area, public-private-university research partnerships, expanded medical education, conferences, medical product and service development, etc. Resources to support growth in this sector include the University of Montana, St. Patrick's and Community Medical Centers, the International Heart Institute, Montana Cancer Center, MonTEC, and numerous other medical and biotechnology research facilities.

3.3 Technology and Communications

Missoula has a strong cluster of businesses and organizations related to information technology, broadcasting, and communications. Opportunities for growth include expansion of communications infrastructure and specialized workforce training, research, product development, seminars and forums, etc. Resources to support this sector include MonTEC, UM Office of Technology Transfer, Biotechnology Center, MATR, USFS Missoula Technology and Development Center (MTDC), Missoula 501 Tech Club, USFS Aldo Leopold Wilderness Research Institute, USFS Forestry Sciences and Fire Sciences Laboratories, and private businesses such as DirectTV (1,000 employees).

⁴ Milken Institute.

3.4 Arts and Culture

Missoula is a tapestry of arts and culture, including visual and performance artists, writers, musicians, historians, instructors, agents, consultants, galleries, theaters, sound and light specialists, suppliers, youth programs, museums, events, competitions, public and nonprofit organizations, and much more. Opportunities for growth include stronger collaboration and partnerships among the cultural organizations, leveraging of resources to support programs and events, an artists' studio business center/incubator, cultural tourism, cultural products and services, potential development of a performing arts center, etc. Resources to support this sector include the Missoula Cultural Council, UM, SBDC, CVB, and the various cultural groups and facilities. More information about this sector is included in the Tourism Analysis and Recommendations Report, a companion document to this report.

3.5 Tourism and Recreation

Missoula is Montana's second largest and second most visited city (behind Billings). More than 165,000 square feet of meeting and conference space, and seventeen performance and sports venues, provide numerous opportunities to develop and attract meetings, competitions, tournaments, performances, educational/research seminars, and other events. Guided adventure trips, historic/cultural interpretation, volunteerism, edu-tourism, and family-oriented packages are potential new tourism products. Much more information about this sector is included in the Tourism Analysis and Recommendations Report.

3.6 Professional Services

Professional services are a strong and growing economic sector in Missoula. It also is a sector with many businesses (and jobs) that are not location-dependent. They have national and global clients, bringing significant dollars to Missoula through their contracts. Examples are architects, engineers, environmental and financial consultants, researchers, labs, legal and security firms, technology and education firms, etc. Opportunities include supporting expansion of these businesses through networking, identification of common needs, showcasing of local expertise as part of conferences hosted in Missoula, and recruitment of complementary services to support these firms.

3.7 Transportation and Alternative Energy

Missoula has a number of ground and aviation-related companies due to its I-90 location and airport. Additionally, a number of Missoula companies provide support services, research, and technology to energy development that is taking place in eastern Montana and Wyoming. This cross-state linkage is important as Montana plays an increasingly larger role in the development of domestic energy supplies. Missoula economic development leaders should quantify the types of services offered by local firms supporting the energy and transportation sectors, and then identify ways to assist in expanding these support businesses.

3.8 Membership Associations

Missoula has many nonprofit organizations. Large nonprofits are defined as organizations with annual revenues equal to or above \$25,000 (i.e., those required to file an annual IRS form 990). Small nonprofits are

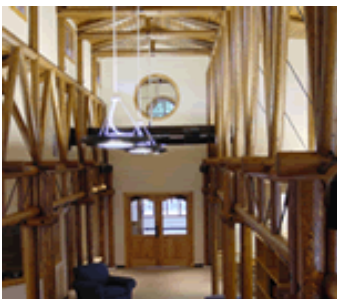
defined as organizations with annual revenues below \$25,000, such as neighborhood civic associations or local community sports clubs.

Missoula County has 1,534 registered nonprofit organizations that generate a total of \$527 million in revenue, and have \$876 million in reported assets.⁵ The count of nonprofits includes state chapters of the Rocky Mountain Elk Foundation, who file their 990s through the national headquarters in Missoula. Of the organizations registered in Missoula County, only about one-third of them (472, or 31%) file a form 990, meaning that they have gross receipts of \$25,000 or more per year, and (theoretically) the remaining nonprofits generate less than \$25,000 per year. Therefore, the 472 nonprofits who file 990s generate an average of at least \$1.1 million per organization.

However, average annual wages for nonprofit sector employees in Missoula County are among the lowest of all sectors (less than \$20,000/year in 2006), indicating that there is an opportunity to strengthen both the organizations and the career opportunities by consolidating administrative operations. The Missoula Nonprofit Network has provided a mechanism for nonprofits to network, obtain training, share resources, and coordinate fundraising events. Additional opportunities include shared resources to host meetings and conferences, partnerships for grant making, recruitment and training of volunteers and volun-tourists, and project contracts.

3.9 Value-Added Agriculture and Wood Products, Ag/Wood Research, including Biotechnology

Montana's food and fiber products are distributed to consumers around the world. Housing market declines in 2007 and 2008 created additional challenges for Missoula wood products businesses, following on the heels of the Stimson facility closure. The MAEDC has taken a pro-active approach to supporting the wood products sector, in order to preserve high-paying jobs and tax revenues, and to support sustainable management of Montana's forest resources. The USFS lab and UM College of Forestry are strong partners in forest resource management and wood products development. Value-added agriculture also provides growth opportunities for small and mid-sized producers, as organic and gourmet foods have gained broad market share among distributors and consumers. There are additional opportunities for growth in ag-related sectors of biotechnology: pharmaceuticals, products for environmental management such as waste recycling, genetic engineering of bacteria, monoclonal antibodies to identify antigens, etc.



⁵ National Center for Charitable Statistics (NCCS), October 2008.

4. Projected Employment Growth (Non-Retail)

The table below shows employment changes in key non-retail sectors from 2001 to 2006, comparing the changes in Missoula to those in the U.S. and in Montana statewide. Three sectors have high rates of growth but represent a relatively small employment base: mining/oil/gas including support services, chemical manufacturing, and waste remediation. All three sectors relate to energy development and the environment, which continue to see increasing market demand. The next three sectors with high growth rates relate to new construction development and transportation support activities, followed by services and arts/entertainment-related. Specialty food and beverage manufacturing are growing sectors in Missoula, along with health care and nonprofit/membership organizations. Missoula's single largest non-retail employment sector is health care and social assistance (including ambulatory health services), followed by accommodations/food services, professional/technical services, and other services. Sectors with negative growth are ground transportation, warehousing, and wood products manufacturing.

Fig. 4.1: Employment Change 2001-2006: Missoula vs. MT and U.S.

Industry (NAICS)	U.S. 2001	U.S. 2006	Msla 2001	Msla 2006	MT 2001	MT 2006	% Chg U.S.	% Chg Msla	% Chg MT
21 Mining/oil/gas & support	535,189	616,598	7	28	5,191	7,296	15%	300%	41%
325 Chemical manufacturing	954,204	860,169	16	49	632	682	-10%	206%	8%
562 Waste mgmt/remediation	315,523	345,995	154	244	673	918	10%	58%	36%
236 Construction of buildings	1,567,615	1,789,953	589	821	6,238	8,909	14%	39%	43%
53 Real estate & rental/leasing	2,036,285	2,154,595	658	899	4,986	6,052	6%	37%	21%
488 Support activities - transpn	530,456	568,280	149	202	1,231	1,594	7%	36%	29%
54 Professional/technical svcs	6,871,441	7,392,850	2,222	2,894	15,534	18,579	8%	30%	20%
624 Social assistance	1,847,259	2,172,315	1,230	1,530	7,091	9,206	18%	24%	30%
515 Broadcasting, x Internet	342,321	327,935	195	240	1,235	1,177	-4%	23%	-5%
71 Arts, entertainment, rec'n	1,784,330	1,901,194	1,128	1,365	7,760	10,819	7%	21%	39%
713 Amusements, gambling	1,291,406	1,387,436	951	1,150	6,822	9,605	7%	21%	41%
312 Beverage product mfrg	207,285	195,253	147	177	762	805	-6%	20%	6%
72 Accommodation/food svcs	10,100,636	11,123,421	5,005	5,978	41,627	45,940	10%	19%	10%
518 Data process'g/hosting	486,654	385,145	180	207	625	677	-21%	15%	8%
813 Membership assns/orgns	1,272,987	1,312,650	1,057	1,209	7,012	7,852	3%	14%	12%
311 Food manufacturing	1,554,605	1,470,037	297	333	2,325	2,643	-5%	12%	14%
481 Air transportation	614,946	481,156	124	136	767	790	-22%	10%	3%
62 Health care, social assist.	12,966,103	14,709,028	7,211	7,882	46,103	53,087	13%	9%	15%
81 Other svcs, x public admin	4,206,345	4,364,889	2,348	2,545	15,028	15,833	4%	8%	5%
621 Ambulatory health svcs	4,453,597	5,285,931	2,559	2,715	12,871	14,519	19%	6%	13%
48-49 Transpn/warehousing	4,138,146	4,204,514	1,744	1,693	10,228	10,786	2%	-3%	5%
485 Transit/ground transp'n	371,554	393,052	197	190	1,376	1,322	6%	-4%	-4%
484 Truck transportation	1,382,991	1,423,705	1,059	933	4,955	4,811	3%	-12%	-3%
321 Wood product mfrg	570,296	555,237	965	844	5,360	4,689	-3%	-13%	-13%

Source: U.S. Census

The table below uses recent employment trends to estimate employment levels in 2014, and the resulting demand for space, as expressed in square footage. The two sectors projected to see the most growth are health care and professional/technical services, which together represent 46% of the total square footage of non-retail/non-government business space. These figures assume that the U.S. economy is experiencing recovery by 2010 and continues growth patterns similar to those seen from 2001-2006. Another sector likely to see significant growth is energy support services and technology.

Fig. 4.2: Missoula Projected Employment and Space Demands by Sector, 2014
(Establishments in growing sectors with 10 or more employees)

Sector	2007 Employ't	2014 Employt	SF (Min est.)	2014 SF (estim)	% of Ttl S.F.
Health Care*	6,708	7,312	872,500	951,025	23.6%
Professional / Technical Services	2,544	3,307	392,500	510,250	22.7%
Accommodations	1,163	1,826	430,000	675,100	9.8%
Other Services	599	647	85,000	91,800	9.8%
Real Estate	575	784	207,500	283,750	6.6%
Recreation	320	387	167,500	202,675	3.7%
Technology Svcs	389	497	97,500	123,250	1.7%
Gambling	333	403	50,000	60,500	5.7%
Construction	316	439	57,500	79,925	4.9%
Broadcasting	246	303	70,000	86,100	2.0%
Food Manufacturing	233	261	130,000	145,600	1.1%
Transportation	232	316	102,500	139,400	2.3%
Nonprofit Orgn	188	214	55,000	62,700	2.0%
Beverage Mfrg	147	176	90,000	108,000	1.7%
Arts	140	169	50,000	60,500	0.6%
Waste Mgmt & Remed'n	100	158	40,000	63,200	0.3%
Manufacturing	68	106	30,000	52,100	0.9%
Data Processing	46	53	12,500	14,375	0.6%
Total	14,490	17,531	3,000,000	3,782,850	100.00%

* Does not include planned expansion of St. Patrick's Regional Medical Center.

The two sectors with the highest projected growth also have a high likelihood of locating in the downtown district. The expansion of the St. Patrick's campus encourages more clustering of medical services in the vicinity of the hospital, and professional/technical services are drawn to downtown due to the presence of financial and business services, restaurants, retail, and other services. Other growth sectors likely to locate downtown are accommodations (i.e., a boutique hotel), services, technology services, broadcasting, nonprofit organizations, beverage manufacturing (i.e., microbrews), arts, light manufacturing, and data processing.

The Missoula County Courthouse houses the County's administrative and judicial functions downtown. However, there is insufficient space in the courthouse and its annex, so county staff and storage are scattered among several buildings. The County Commission is evaluating options to consolidate administrative operations, and to move some functions elsewhere. Downtown Missoula partners should work with the County to retain its administrative functions downtown. There are 94 employees in the County's administrative departments, and they spend more than \$66,000 annually on retail purchases in downtown Missoula. Additionally, these departments draw thousands of residents to the downtown district for county business. Loss of these jobs and offices in downtown Missoula would have a noticeable impact on downtown businesses.

5. Potential Constraints for Economic Growth

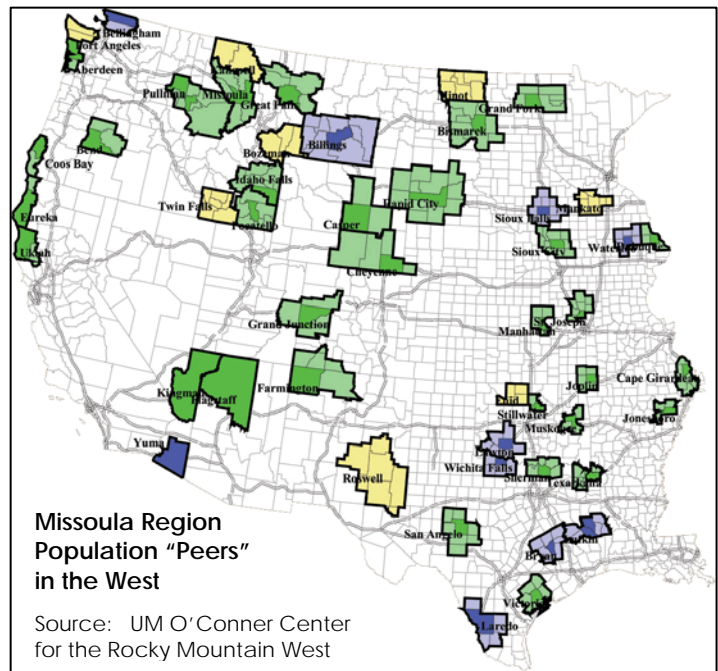
5.1 Transportation

Compared to other locations in Montana, Missoula has good transportation options with an Interstate highway, airport, and rail service. However, compared to some of its peer population centers throughout the west (see map), transportation and proximity to major metropolitan areas presents some competitive disadvantages.

5.2 Workforce Availability and Housing

Two factors affecting business development throughout the Rocky Mountain West are workforce availability and affordable housing, and Missoula is no exception. The 2008 economic

downturn has resulted in layoffs, making more workers available for fewer jobs. In September 2007, Montana's statewide unemployment rate was only 2.4%, but rose to 3.8% by September 2008. Missoula County mirrored the state (see table below). Ravalli County's unemployment rate was 4.8% in September 2008.



Employment September 2008 vs. 2007	Montana		Missoula County		Ravalli County	
	Sept. 2008	Sept. 2007	Sept. 2008	Sept. 2007	Sept. 2008	Sept. 2007
Labor Force	505,802	500,503	58,102	56,937	18,743	18,531
Employed	486,491	488,501	55,868	60,537	17,834	17,976
Unemployed	19,311	12,002	2,234	1,398	909	555
Unemployment Rate	3.8%	2.4%	3.8%	2.4%	4.8%	3.0%

Affordable housing is defined as moderately-priced housing for individuals and families within +/- 10% of the median income in a market area. There is a lack of moderately priced housing in Missoula, and rental units typically have very low vacancy rates due to the student population. The national collapse of the housing market in 2008 resulted in tumbling home prices, but due to mortgage foreclosures, rental demand and rates increased. Plans to develop upper-story Downtown housing will need to include strategies to address the following challenges:

1. Montanans (and Montana transplants) like elbow room. Much of the in-migration to Montana is the result of baby boomers and retirees moving from urban areas, seeking more space (i.e., ranchettes) in an affordable, less crowded environment. However, high fuel prices in 2007 and 2008 led to increased interest in city center housing nationwide, as commuting costs became a significant factor in household budgets.
2. Missoula is a college town, and after 11:00 pm, Downtown often becomes a raucous place. Downtown business owners report cleaning sidewalks of broken glass and human expellants after a night of

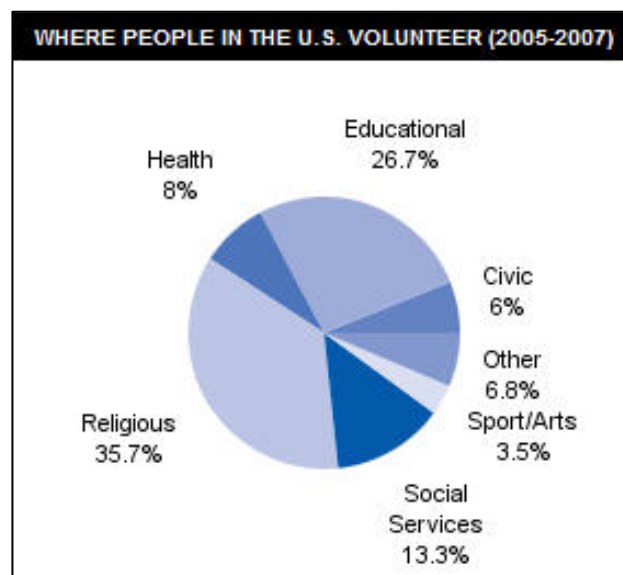
student carousing in the “Barmuda Triangle”. Noise, fights, intoxication, homeless transients, and crime all are concerns expressed by local professionals and recent retirees about the possible development of Downtown housing. However, none of these issues are unique to Missoula, and have been addressed successfully in many other communities.

5.3 Funding for Infrastructure, Public Facilities, and Nonprofit Organizations

Due to its small population base, and a significant amount of public property (city, county, state, federal), Missoula has challenges with financing for public infrastructure and facilities, including the proposed emergency operations center (EOC) and event venues such as the fairgrounds and baseball stadium.

While Missoula has a significant number of nonprofit organizations (arts and cultural groups, social assistance, sports and recreation, etc.), and an active parks and recreation program, the number of full-time jobs in those sectors is lower than national averages on a per capita basis, indicating that many of these groups are suffering from a lack of funding and staffing. Potential sharing and/or consolidation of resources through partnerships may help strengthen these organizations.

Missoula has a high rate of volunteerism, in part due to the large number of UM student volunteers. However, volunteer burnout is a challenge for many nonprofit organizations. Missoula has tremendous potential to tap into the growing national trend of national civic service and “volun-tourism”. People who volunteer their time also tend to donate funds to their favorite causes and organizations, so recruitment of “volun-tourists” to assist with projects and events also is likely to lead to increased fundraising. The CVB, Missoula Nonprofit Network, Missoula Cultural Council, and other groups can play a key role in establishing a volunteer opportunities database, then linking the information to the CVB web site and national volunteer opportunities web sites.



Source: National Center for Charitable Statistics, Urban Institute, <http://nccs.urban.org/>

6. Current Business and Economic Development Efforts in Missoula

This section provides an overview of the public, private, and nonprofit organizations currently involved in economic development in the Missoula area.

6.1 Missoula Area Economic Development Corporation (MAEDC, www.maedc.org)

The MAEDC is the lead economic development organization in Missoula County. Its programs include a revolving loan program for businesses; staff assistance for the local Business Expansion And Retention (BEAR) program; promotion of Missoula as a desirable business location via a web site, publications, and e-newsletter; management of the MonTEC technology business incubator (see 6.2 below); business assistance for expansions and workforce training; Brownfields site redevelopment; and partnerships with other area economic development organizations and the University of Montana. MAEDC also is the Certified Regional Development Corporation (CRDC) for the region.

6.2 MonTEC (www.maedc.org/index.aspx/montec)

The Montana Technology Enterprise Center (MonTEC) is Missoula's only technology and business incubator. It is a collaborative effort between The University of Montana and the Missoula Area Economic Development Foundation. Conceived to bolster local start-up businesses and to encourage the commercialization of University research, the MonTEC facility currently houses eighteen Montana companies.

6.3 Missoula Redevelopment Agency (MRA, www.ci.missoula.mt.us/mra/)

The Missoula City Council created the Missoula Redevelopment Agency to encourage new development and redevelopment in Missoula pursuant to its three adopted Urban Renewal District Plans. MRA reclaims blighted urban renewal areas by preserving existing public investment, enhancing the tax base, generating employment, and stimulating private investment. MRA encourages infill development and the adaptive reuse of the built environment. State law and local ordinance empower MRA to respond aggressively and with flexibility to redevelopment problems and opportunities within the three Urban Renewal Districts (URD). Through redevelopment programs and projects, MRA provides alternatives to urban sprawl outside the existing municipal service boundaries. Decisions about MRA projects are made by a five member Board of Commissioners who are appointed by the Mayor and approved by City Council.⁶

6.4 Missoula Downtown Business Improvement District (DBID, www.missouladowntownbid.org)

The Downtown Business Improvement District of Missoula, formed in April 2005, enhances the vitality of downtown Missoula by facilitating commerce, promoting investment, enhancing streetscapes, conducting maintenance, and improving security and safety for the Downtown Business District and City of Missoula. The BID is governed by a seven member Board of Trustees.⁷ The DBID web site includes a listing of properties available within the district boundary (although the link is not highly visible).

⁶ City of Missoula MRA web site.

⁷ Downtown Business Improvement District of Missoula (BID).

The BID boundaries comprise approximately 70 blocks of the Central Business District, from the Madison Street Bridge (east boundary) to Scott Street (west boundary), and from Montana Rail Link (north) to the Clark Fork River Corridor (south), as well as the commercial corridor (“Hip Strip”) on Higgins Avenue to Brooks Street. The District contains more than 542 properties, with assessments totaling \$225,000 to fund activities, programs, and management. Two BID committees are responsible for activities related to economic development and employment growth in downtown Missoula.⁸

- BID Business Retention and Recruitment Committee: Concerned with keeping our business environment healthy and varied. They will develop and implement a plan which addresses partnerships, grants and a loan funding program to help retain current businesses in the Downtown area as well as recruit new ones.
- BID Marketing and Ratepayer Communication Committee: Creating a comprehensive marketing plan that includes marketing of Downtown Missoula to the general public, businesses, residents and ratepayers. This committee will also be responsible for continued communication with the ratepayers to ensure they are aware of the progress the Board of Directors is making.

6.5 Missoula Downtown Association (MDA, www.missouladowntown.com)

The Missoula Downtown Association (MDA) is a not-for-profit membership organization that promotes, supports, and enhances the vitality of downtown Missoula. Its mission is to:

- Retain and promote downtown Missoula as western Montana's center of business, culture and entertainment;
- To provide a forum for mutual solutions to common problems downtown;
- To encourage preservation and enhancement of the area's physical beauty; and
- To create public awareness of the historic and cultural significance of Missoula's unique downtown to the community as a whole.

The MDA encourages historic preservation and enhancement of Downtown's physical beauty (riverfront trails, flower baskets, Christmas decorations), maintains the Caras Park Pavilion for community events, and organizes and sponsors Out to Lunch (a weekly summer lunchtime entertainment extravaganza) and Downtown ToNight (an evening time partner to Out to Lunch), as well as many other events.

The MDA and the Downtown BID serve generally the same geographic area and base of business and property owners. The MDA is contracted to provide staffing to the BID. Both organizations list business retention, recruitment, and promotion in their mission, goals, and/or committee structure.

6.6 Missoula Development Park (MDP, www.co.missoula.mt.us/dev_park)

The Missoula Development Park, owned by Missoula County, is a 446-acre mixed use development located two miles west of downtown adjacent to the airport, with direct access to Interstate 90 and rail service provided by Montana Rail Link. The MDP accommodates hotel/conference centers, restaurants, convenience and specialty stores, gas stations, banks, research and development (technical training facilities and business and technology parks), warehouses and manufacturing, parks and trails, and a housing development. CC&R's and Development Guidelines are in place, along with street, water, sewer, gas, and electric services to each lot. There are 60+ acres in parkland throughout the park with miles of connecting trails. Two Tax Increment Finance Districts are in place to develop infrastructure and foster industrial and technology developments in the area.

⁸ Downtown Business Improvement District of Missoula (BID).

In 1997, the Board of County Commissioners appointed the Missoula Development Authority (MDA) to maintain oversight of the development, management, and marketing in and for the Park. The Authority is a seven-member board (plus 2 non-voting members) responsible to implement the Missoula Development Park Master Plan. In 2007, the Board of County Commissioners appointed the Missoula Development Authority Technology District Advisory Board (MDATDB). The MDATDB is an eight member board (seven members of the Missoula Development Authority, plus one member of the Technology District) that maintains oversight of the development, management, and marketing of the Technology District.

6.7 Missoula County Airport Industrial District

The Missoula County Airport Industrial District is governed by a three member board, which is made up of the Missoula County Commissioners.

6.8 Missoula City-County Office of Planning and Grants (OPG, www.co.missoula.mt.us/opgweb)

The OPG was created by Missoula County and the City of Missoula pursuant to an interlocal agreement executed by the two governing bodies in 1996 (subsequently modified in 2005). The purpose of the interlocal agreement is to enhance the ability of the City of Missoula and Missoula County to plan for future development of the City and County so that a county-wide pattern of community-building, land use, and conservation that reflects the environmental, economic, aesthetic, and social values of city and county residents is achieved. OPG is organized into five divisions: Administration and Support Services; Grants Administration; Transportation Planning; Current Planning (Permits and Projects); and City Research and Long Range Planning (Urban Initiatives).

6.9 Missoula Area Chamber of Commerce (www.missoulachamber.com)

The Chamber, which has been in existence for over 115 years, assists new residents and businesses relocating to Missoula, and provides community leadership training and business advocacy. The Chamber is the largest business organization in Missoula with nearly 1,000 members, serving as the “voice of business”. Member benefits include networking and marketing opportunities available only to Chamber members, and professional growth through participation and support of Chamber committees and activities.

6.10 Missoula Area Convention and Visitor Bureau (CVB, www.missoulacvb.org)

The CVB was formed exclusively for the promotion of tourism and the development of effective methods of attracting and hosting conventions and events for Missoula and the surrounding area. The CVB implements online and print media advertising, publicity, direct sales, and partnerships for its promotion efforts. The CVB also sponsors market research and customer service training, and oversees a system of visitor information sites and materials throughout the area.

6.11 University of Montana (UM, www.umt.edu)

The UM is engaged in several partnerships, and sponsors a number of programs and institutes related to economic development, including MonTEC, the Bureau of Business & Economic Research (BBER), O’Conner

Center for the Rocky Mountain West, Institute for Tourism & Recreation Research (ITRR), Biotechnology Center, Montana Business Connections, Montana World Trade Center, Montana Public Policy Research Institute, and National Science Foundation-EPSCOR. The UM Office of the Vice President for Research and Development (VPRD) oversees all university-wide externally-generated grants and contracts, and provides administrative leadership to the University community in supporting the University's mission for enhancement of research and economic development through technology transfer, intellectual property, regulatory compliance, and federal relations.

6.12 Montana Community Development Corporation (MCDC, www.mtcdc.org)

MCDC provides innovative financing and business development products that foster an entrepreneurial economy and create income opportunities for all residents, including loans, consulting, and training in Missoula, Ravalli, Mineral, Sanders, and southern Lake Counties. MCDC programs include microloans, Montana fund's near-equity investments, Small Business Development Center, Advanced Business Consulting (ABC) Network for ambitious growth companies, and the Wood Utilization and Marketing Network to help create business opportunities with new wood products and reduce hazardous fuel loads in Montana forests. MCDC lent \$1.5 million in 2007, and its goal is to have an annual loan pool of \$3.5 million. Several downtown retail businesses are MCDC loan recipients.

6.13 Montana Associated Technology Roundtables (MATR, www.matr.net)

MATR was founded to promote economic development in Montana by bringing together the network of entrepreneurs and business professionals to share ideas and information, by providing networking and information opportunities to entrepreneurs, investors and professionals of Montana and the Inland Northwest Region. MATR organizes networking meetings on a regular basis, usually developed around a theme such as business principals, corporate organization, funding or marketing techniques. MATR provides a large web site of local, state, national and global resources for businesses, updated daily.

6.14 Montana Department of Commerce (DOC, www.commerce.mt.gov)

Commerce acts as an information broker for businesses and communities in the economic and community development areas. DOC programs maintain and improve basic community infrastructure; provide financing for homeownership and rental assistance; provide direct technical assistance and training for Montana's entrepreneurs, businesses, and their employees in partnership with communities, counties, and local and regional development groups; promote Montana as a place to visit, to locate business, and to film motion pictures, commercials, documentaries, and features; and finance Montana businesses. Specific programs include the Census & Economic Information Center, Community Technical Assistance Program, Energy Division, Entrepreneur Montana, Export Montana, Made In Montana, MT Finance Information Center, Montana Technology Innovation Partnership, Montana Main Street Program, and Small Business Development Center.

6.15 BitterRoot Economic Development District (BREDD, www.bredd.org)

The BitterRoot Economic Development District, Inc (BREDD) is the federally designated economic development district for Western Montana Region covering Ravalli, Mineral, and Missoula counties. BREDD is

responsible for regional economic development planning, and collaborates with various private and public sector agencies to accomplish this goal. BREDD brings together the private and public sectors in a partnership necessary to provide a coordinated strategy and an ongoing economic development program for the region.

Strategic Economic Development Coordination will Increase Success and ROI

Sections 6.1 through 6.15 above describe fifteen different organizations involved in various facets of business and economic development in Missoula. Many of them have similar missions and/or responsibilities, but there is limited systematic coordination among them. As of this writing, there is no overarching strategic plan for economic development in Missoula, although the MAEDC has initiated a planning process. The strategic plan should identify specific business sector and sub-sector targets, based on Missoula's locational strengths and weaknesses. It should define specific strategies and actions to grow those target sectors, along with measurable objectives, priorities, and implementation resources. The plan also should clearly define the roles of each partner organization listed above, and assign responsibilities for each action. A clear identification of targets, strategies, and roles will substantially increase the overall effectiveness and return on investment (ROI) of economic and business development efforts in Missoula.

