



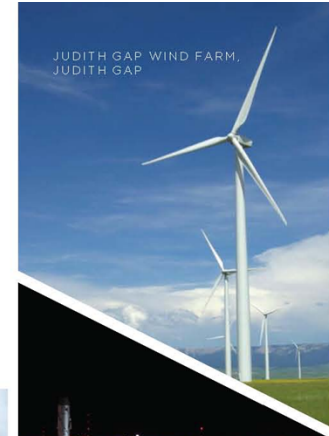
BIG SKY ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

Economic Outlook 2012

CREATING MONTANA
BUSINESS OPPORTUNITIES

JUDITH GAP WIND FARM,
JUDITH GAP



MONTANA DAKOTA UTILITIES
BILLINGS, MT



SPRING CREEK MINE,
DEER CREEK, MT

LOCAL PERSPECTIVE

Jeremy Vannatta

Director of Business Outreach,
Recruitment & Marketing

Opportunities & Challenges

Opportunities



Billings[®]
MONTANA'S  TRAILHEAD

Business Growth



BUSINESS GROWTH



- *5,780 small businesses in Billings*
- *Businesses are again adding employees*
- *Companies, like Red Oxx, are adding 5-25 employees*
- *Capital for expansion is available – some businesses are holding equity, others can not get 100% financed*

BUSINESS GROWTH



- *Status as a regional trade center continues to be solidified*
- *Scheels major announcement (220K square feet)*
- *Other developments and new projects are beginning across the county*

BUSINESS ACCOLADES

Billings, Montana
NAMED **#1 Small City**

TO LAUNCH A BUSINESS

- FORTUNE SMALL BUSINESS
November 2009



Montana
NAMED **8th Tax Friendliest**
STATE IN THE COUNTRY

- TAX FOUNDATION

January 2012



U.S. Small Business Administration



Your Small Business Resource

**2011 Small Business
Community of the Year
Montana**



Billings[®]
MONTANA'S  TRAILHEAD

World-class
Healthcare



WORLD-CLASS HEALTHCARE



- *NPR visit was very positive – amazed at level of healthcare in our city*
- *Both major hospitals continue to add specialized services*
- *New medical offices, clinics and buildings continue to be built*
- *Continue to see more healthcare opportunities*



Billings[™]
MONTANA'S  TRAILHEAD

Strong
Agriculture



STRONG AGRICULTURE



- *Agriculture still remains a top industry in Yellowstone County*
- *Higher grain and cattle prices increase profitability*
- *Strong agriculture industry translates to stronger economy as money turns in community*



Billings[™]
MONTANA'S  TRAILHEAD

Investing
In our Future



INVESTING IN OUR FUTURE



- *Recent additions of a new ballpark, library and new trails*
- *Shows to outside investors our community is investing in itself*
- *Builds a strong quality of life for companies looking to grow here and those looking to locate here*



Billings[®]

MONTANA'S  TRAILHEAD

Strategic to
Energy[™]





SEATTLE

CALGARY

REGINA

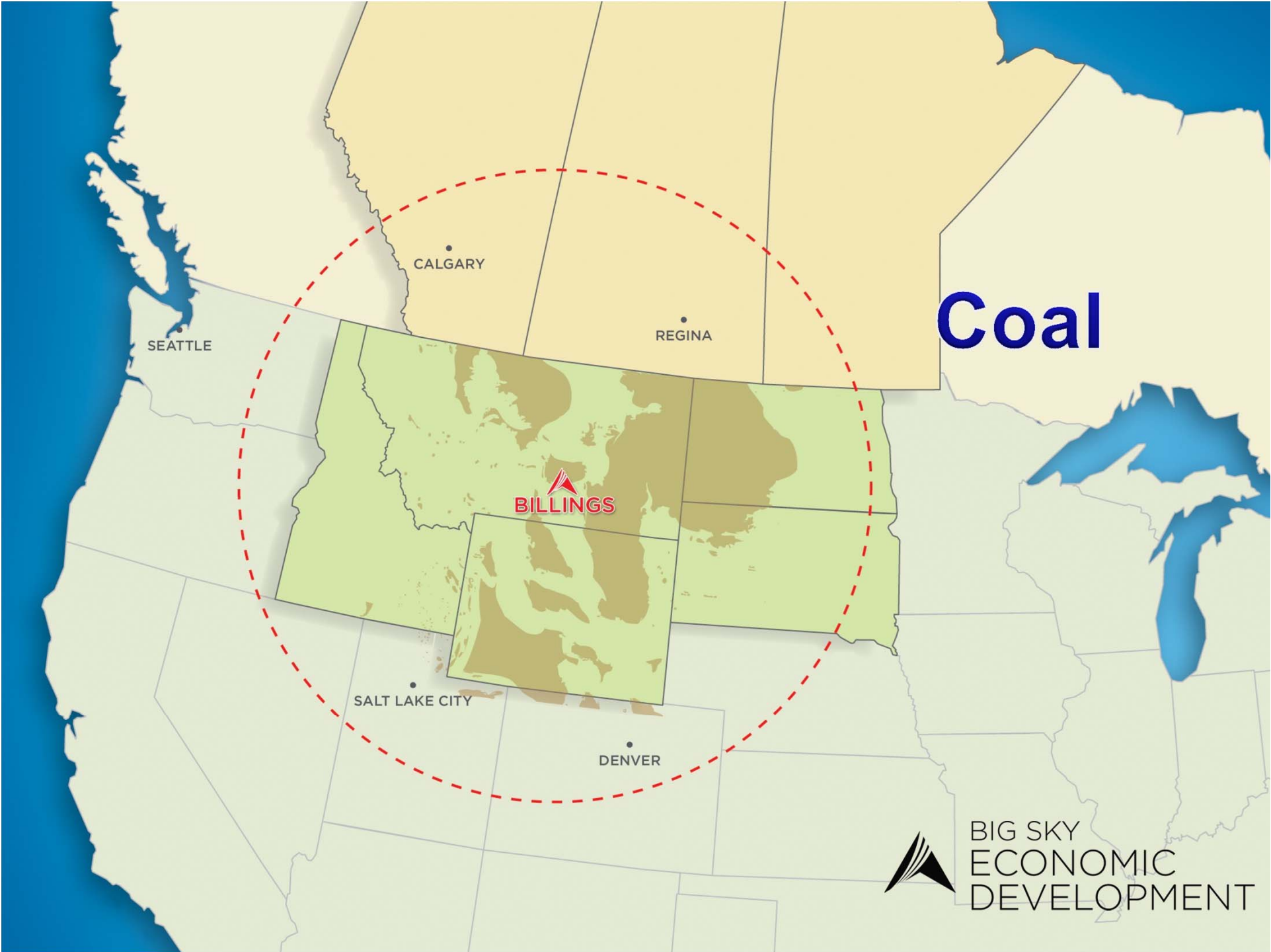

BILLINGS

SALT LAKE CITY

DENVER



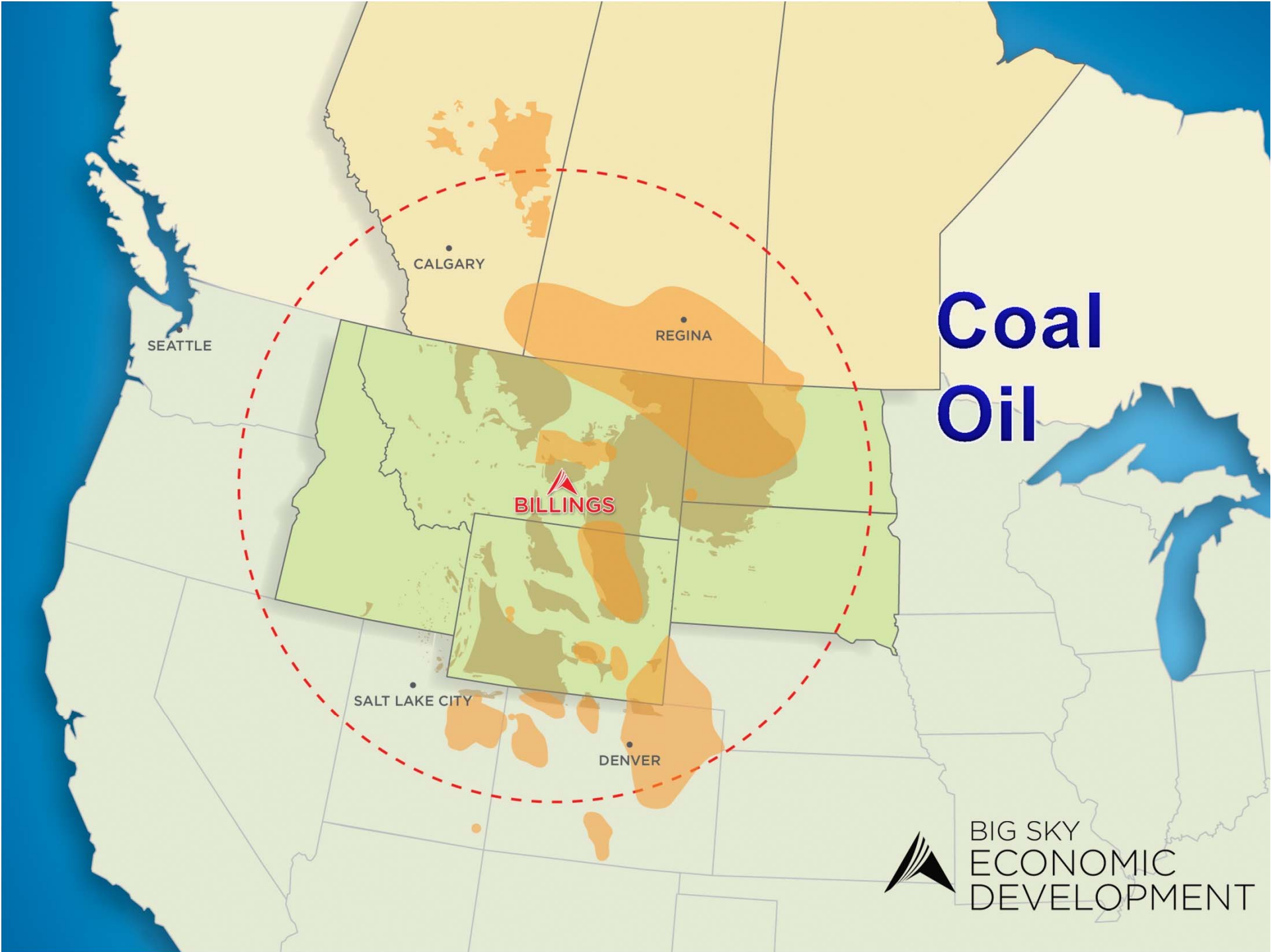
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Coal

BILLINGS

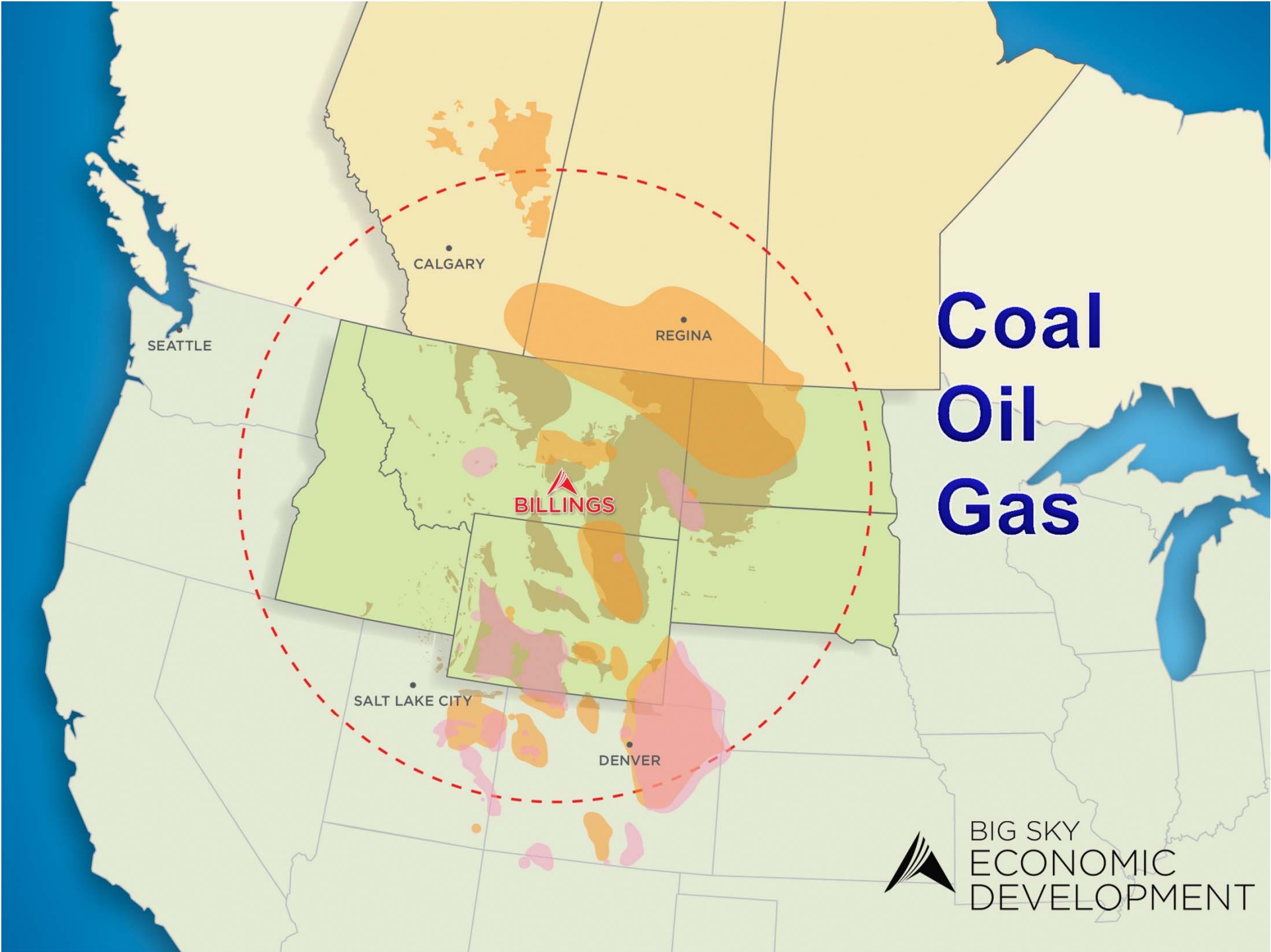
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Coal Oil

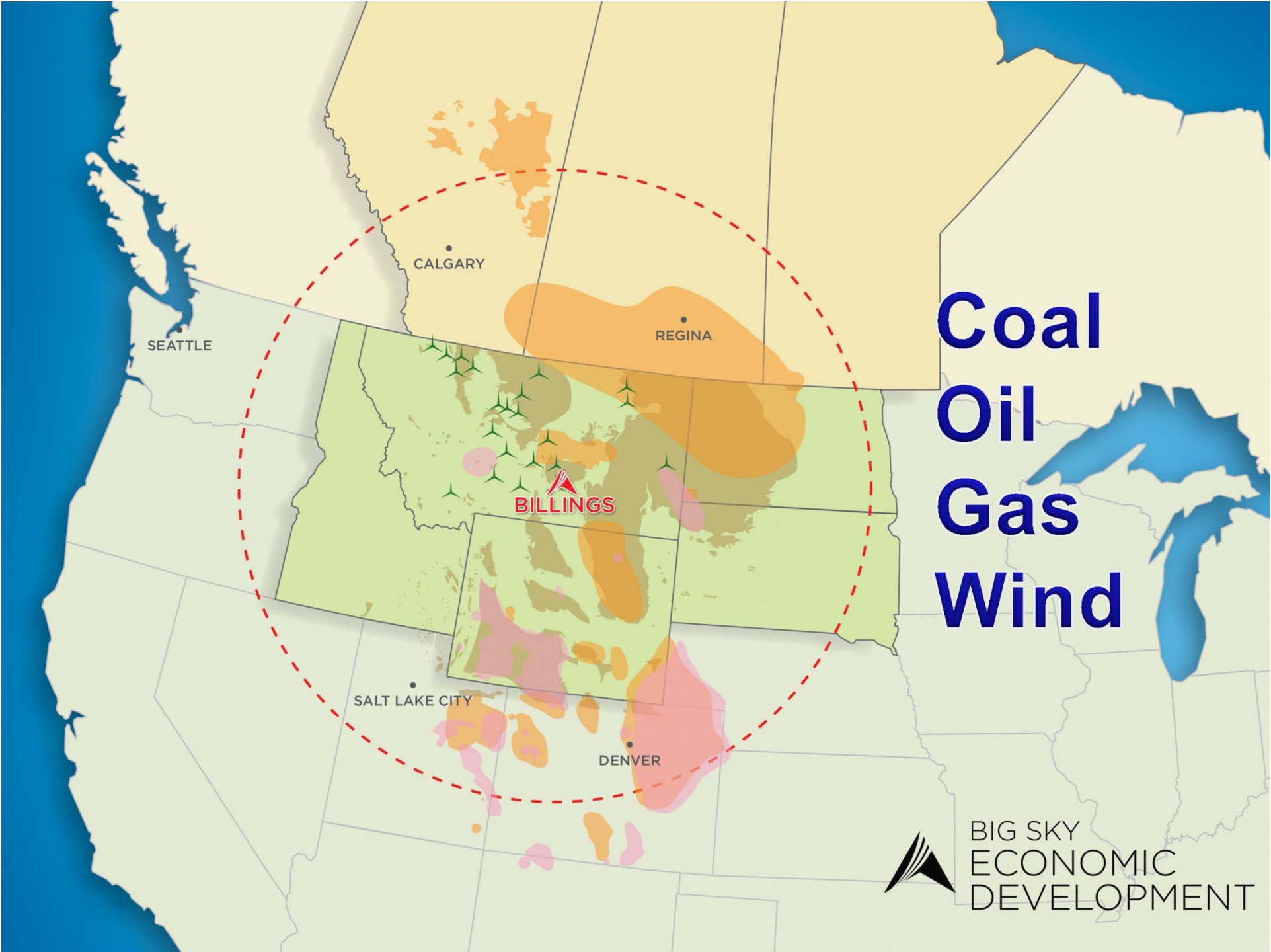


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DEVELOPMENT



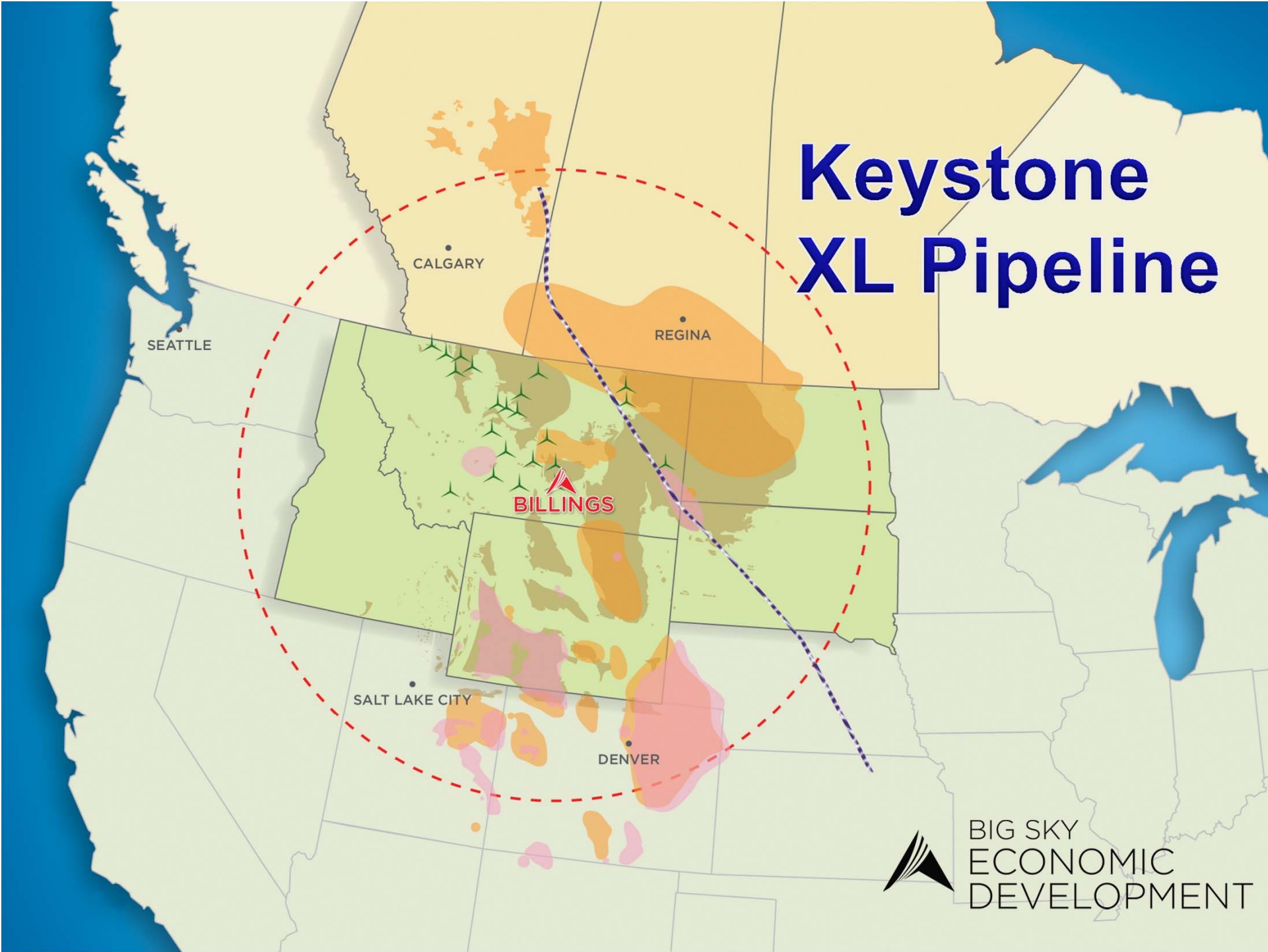
Coal Oil Gas

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DEVELOPMENT



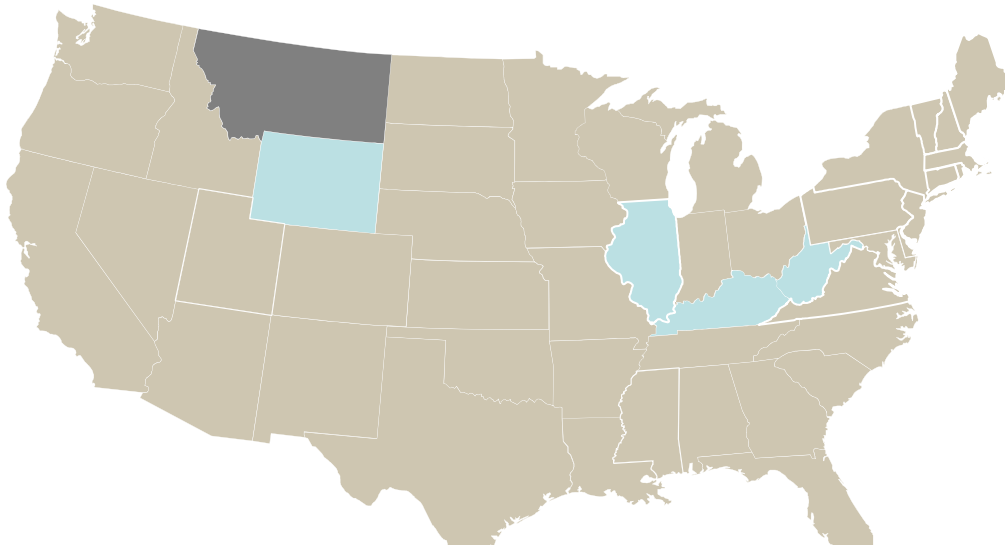
Coal
Oil
Gas
Wind

Keystone XL Pipeline



BIG SKY
ECONOMIC
DEVELOPMENT

Montana coal represents a remarkable energy asset

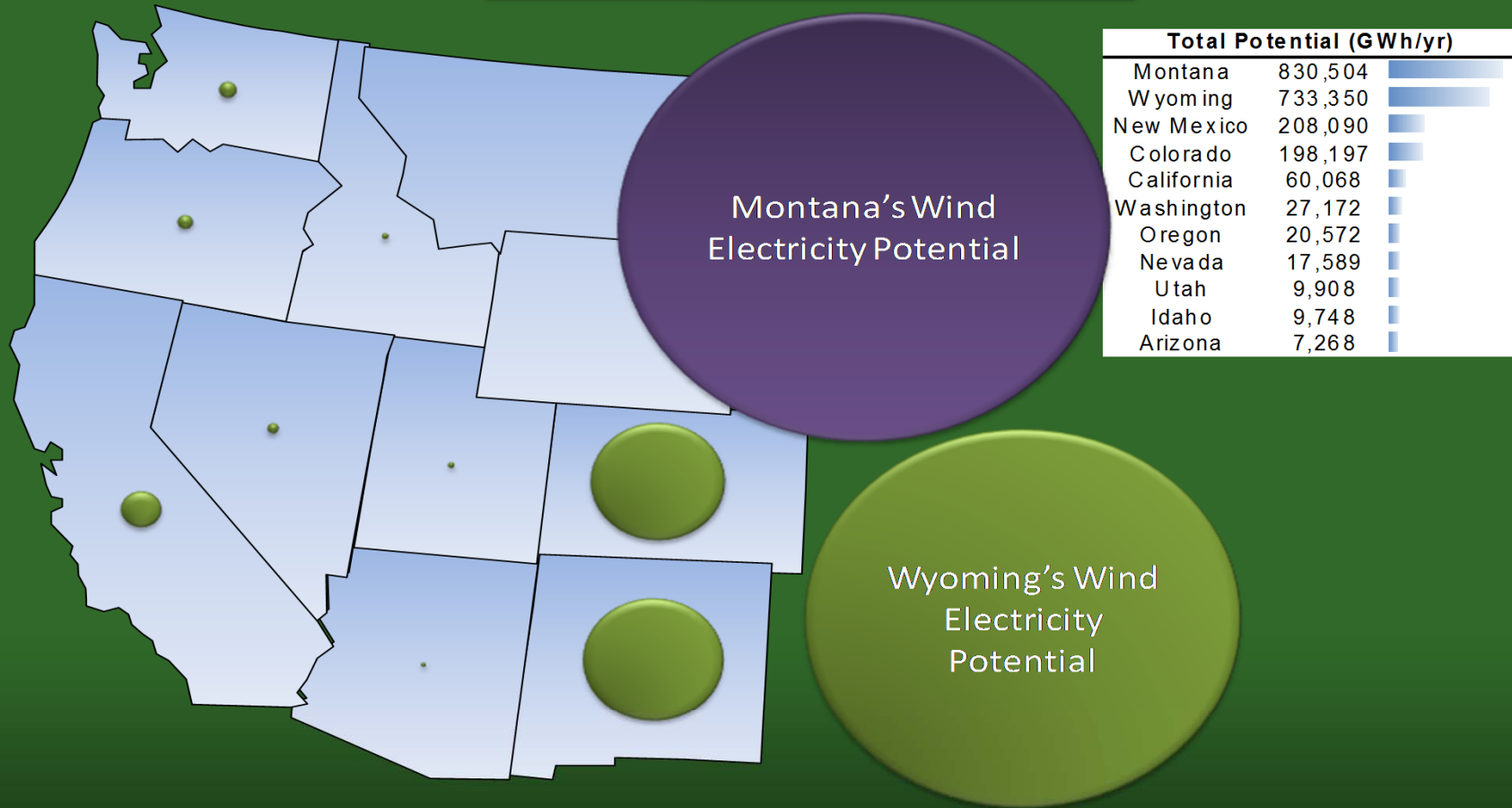


Top Five States	U.S. Demonstrated Coal Reserve Base
Montana	119,017 Million
Illinois	104,222 Million
Wyoming	61,563 Million
West Virginia	31,955 Million
Kentucky	29,234 Million

- Montana has just scratched the surface of its potential as an **energy supplier**
- Arch's Wyoming operations provide 1,800 direct jobs and contribute millions to the Wyoming tax base each year

Western States Wind Energy Potential

Wind Electricity Potential
(GWh/yr) Class 4-7



Prepared by Energy Strategies, LLC

= scale of wind resources relative to Montana's



MONTANA IS WIND COUNTRY

MONTANA MEANS BUSINESS

STRATEGIC TO ENERGY™



Healthcare

- Hospitals are struggling to meet demand
- Opportunity for local partnerships



Transportation

- Trip is difficult with no place to stay
- Direct air service would be day trip



Opportunity for local business

- Bakken is perfect to expand to
- Billings can serve as regional hub

STRATEGIC TO ENERGY™



- *Pitched Gulfstream Airlines to create additional flights from Billings to Williston, Helena and possibly Missoula. Results announced soon.*
- *Established a recruitment committee to support and provide insight to our recruitment efforts*

STRATEGIC TO ENERGY™



April 3-4, 2012

Montana's Leading Energy Conference & Trade Show



- *Created Montana's largest energy industry-wide conference and tradeshow set for April 3-4, 2012*
 - www.montanaenergy.net
 - 300 booths
 - Expo Center at MetraPark
- *Partnership between BSED, Montana Contractors' Association, Montana Petroleum Association & Kadrmas Lee & Jackson*

Invenergy

NorthWestern
Energy



Arch Coal, Inc.

ExxonMobil

ConocoPhillips

BAY Ltd ®

Sanjel★

CHS

STRATEGIC TO ENERGY™

HALLIBURTON

Schlumberger



- *Approaching extensive list of energy related businesses to showcase Yellowstone County as a great place for regional headquarters or field offices.*
- *Making trade missions and attending energy related conferences to make contacts for BSED and local businesses.*

MORE OPPORTUNITIES



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- *With energy development in our region, we can become a hub for large-scale manufacturing, creating 100s of jobs*
- *Bay Limited is working on hiring 250 employees*
- *Highland Projects in process of hiring total of 25-50 employees*

MORE OPPORTUNITIES



- *Sanjel's new training & maintenance facility*
- *Final 5 cities for 200K square foot manufacturing facility*
- *Finalist for major distribution center*

MORE OPPORTUNITIES



- *More energy companies locating regional offices, manufacturing facilities*
- *More families locating here to live for more housing options, stronger quality of life*
- *More support businesses*

Challenges

CHALLENGE #1

TRANSPORTATION

CHALLENGE: TRANSPORTATION

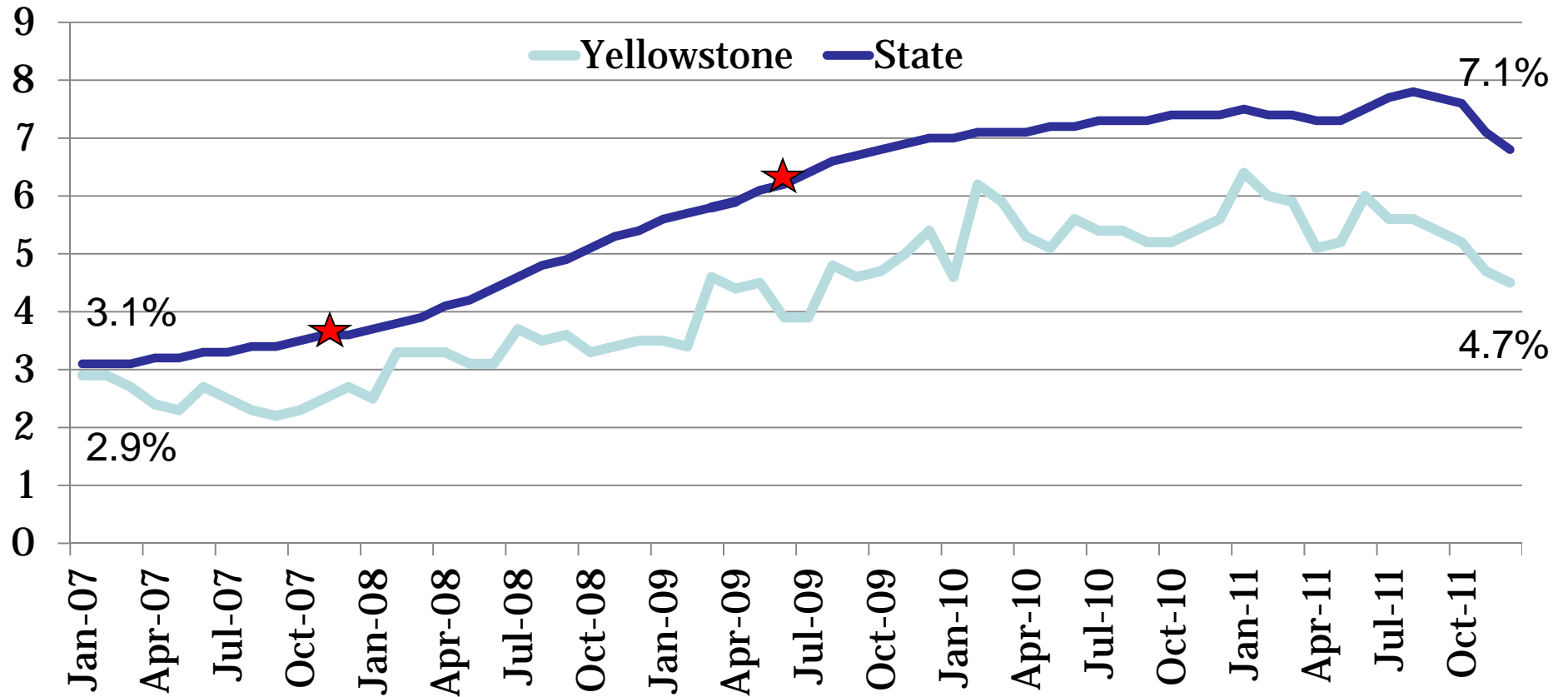
- *Large scale manufacturing to support energy development is a real opportunity for jobs*
- *Creating an unobstructed route for large loads comes with a challenge*



CHALLENGE #2

WORKFORCE

UNEMPLOYMENT RATES



Source: US Department of Labor, Bureau of Labor Statistics

CHALLENGE: WORKFORCE

- *Finding skilled workers for important industries including nurses, welders, etc.*
- *Need for additional training programs to develop workforce*
- *Developing high school graduates ready for higher education/training*



CHALLENGE #3

FEDERAL, STATE & LOCAL BUDGETS

CHALLENGE: CITY BUDGET

- *City charter allows the city to levy no more than 74 mills for general fund without vote of public*
- *Only other city in Montana with this restriction is Sunburst*
- *City will find new sources of income or make cuts utilizing priority based budgeting*



CHALLENGE: FEDERAL & STATE BUDGET

- *As country deals with \$15T deficit, funding is being cut for economic development projects*
- *Limits access to dollars to complete public infrastructure projects*
- *Will require local communities to find more local funding and to be even more creative*



CHALLENGE #4

FEDERAL & STATE ENERGY POLICIES

CHALLENGE: FEDERAL & STATE ENERGY POLICIES

- *Keystone XL Pipeline project delayed or may not happen at all*
- *Fracking procedures & chemicals used continue to draw controversy*
- *Energy projects become increasingly difficult to get permitted*





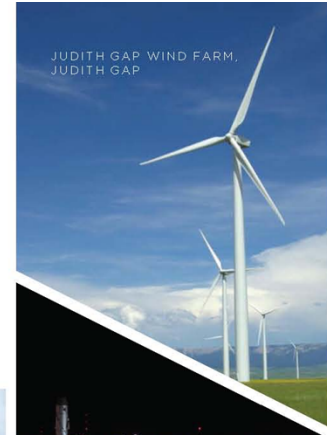
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Questions?

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