



# ECONOMIC OUTLOOK

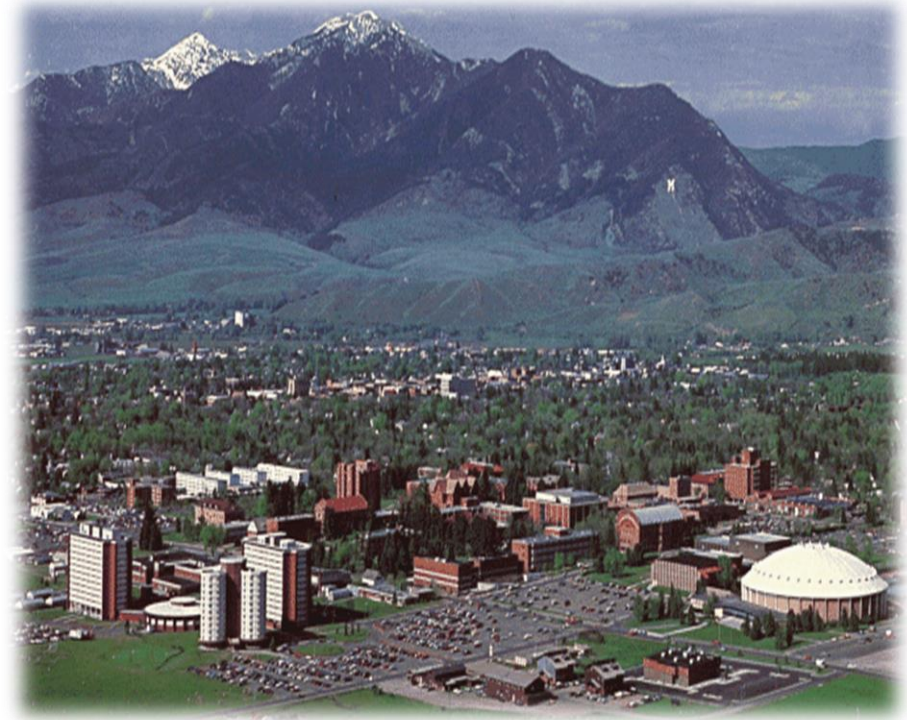
## WINTER 2015



Healthy Economic Development:  
*For the Future of Southwest Montana*

# What *is* a healthy economy?

- **Growing**
  - Maintains local asset values
  - Planned, moderate, predictable
- **Diversified**
  - Not dependent on single industry
- **Increasing wages**
  - Full employment, higher paying industries
- **Consistent with public and private goals**
  - Locally focused, broadly supported



# What is Economic Development?



Photo courtesy of Sunrift Studios

# Development of Human Capital



Photo courtesy of Sunrift Studios

# Critical Infrastructure



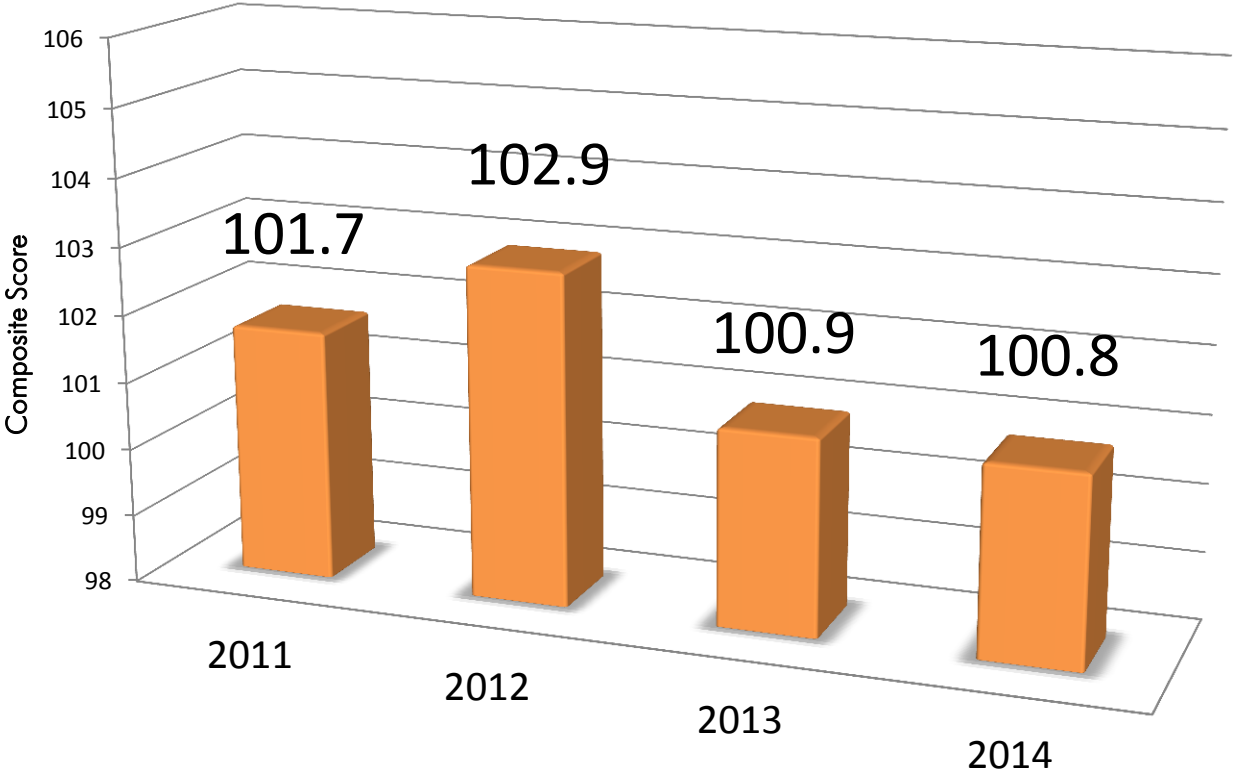
Photo: City of Livingston

# Competitive and Sustainable



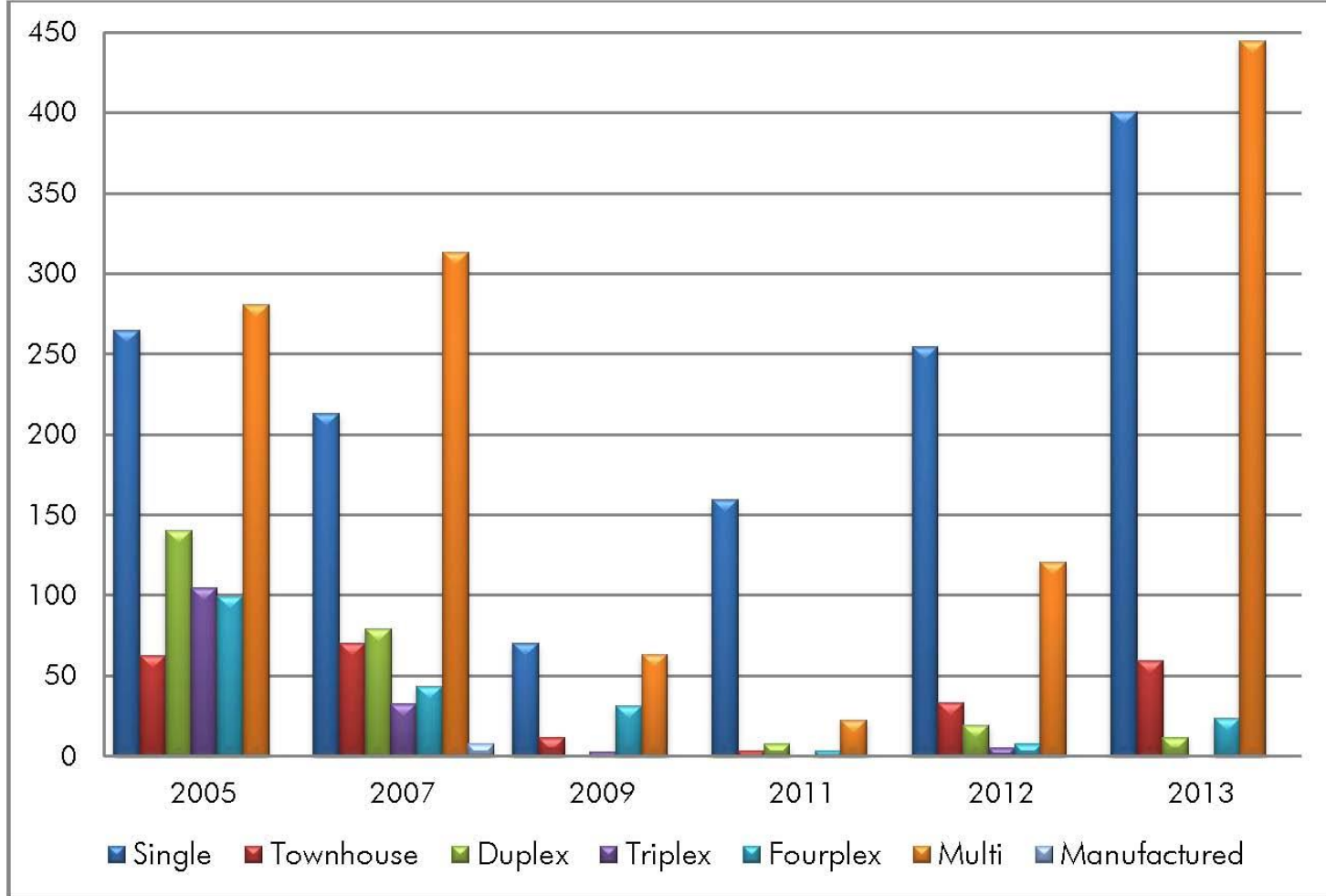
# *Cost of Living Index*

## **Bozeman Cost of Living Annual Average Composite Scores**



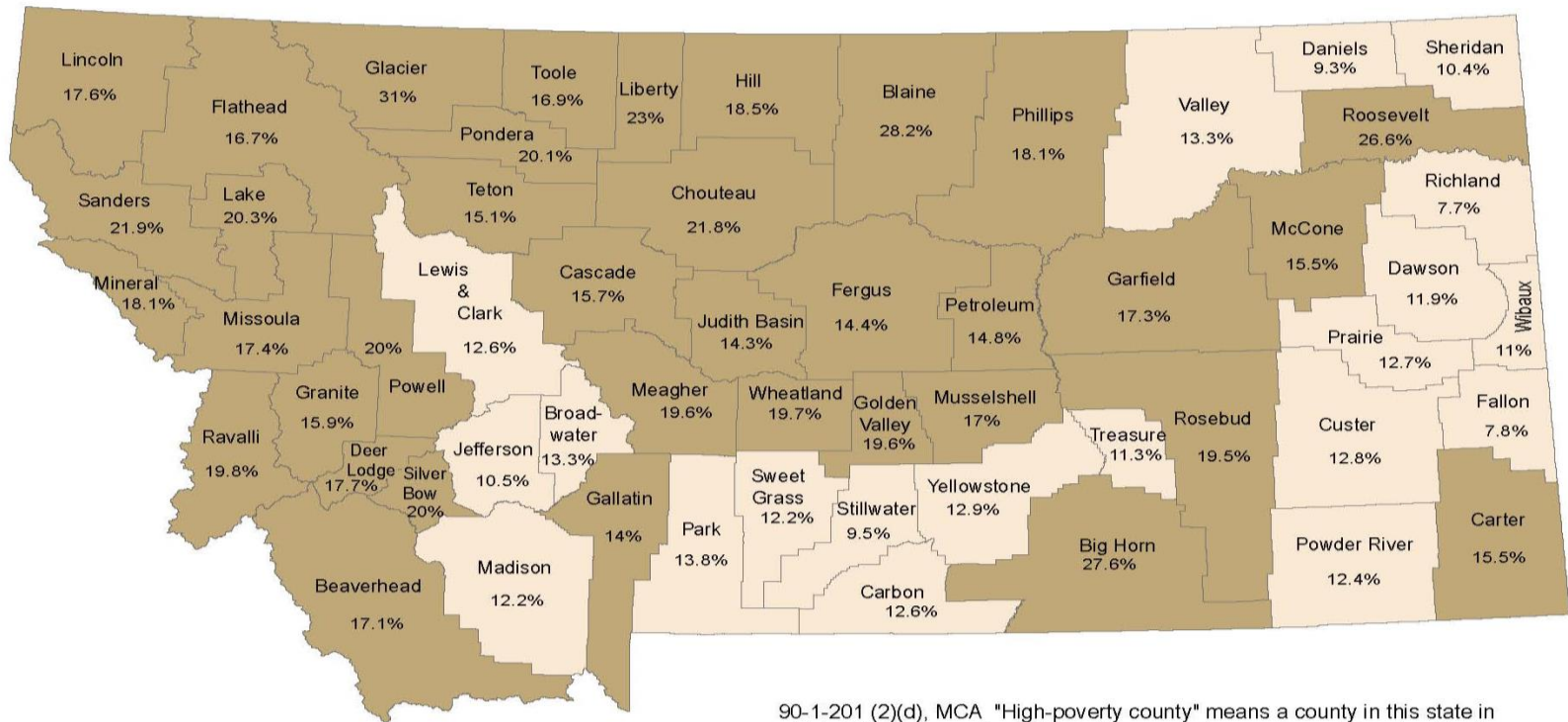


# City of Bozeman Building Permit Activity



# Poverty in Montana: 2013

## County Poverty Rates



90-1-201 (2)(d), MCA "High-poverty county" means a county in this state in which 14% or more of people of all ages are in poverty as determined by the U.S. Census Bureau estimates for the most current year available.

### Poverty Rate

- Less than 14%
- 14% or more

**Montana's Average Poverty Rate 16.1%**  
**US Average Poverty Rate 15.8%**

Source: U.S. Census Bureau, 2013 Small Area Income and Poverty Estimates, All ages in poverty, Released December 2014.

Map by: Census & Economic Information Center, Montana Department of Commerce  
 301 S. Park Ave, Helena, MT 59620-0505, 406-841-2740 email: ceic@mt.gov http://ceic.mt.gov

# *Metropolitan Economic Strength Rankings*

Montana Micropolitan Areas*	2007	2008	2009	2010	2011	2012	2013	2014
Bozeman	8	8	6	7	7	9	19	10
Butte-Silver Bow	123	67	51	27	17	25	17	15
Helena	23	13	9	6	2	2	2	3
Kalispell	63	51	26	35	45	87	142	149

Source: "Economic Strength Rankings 2014: Metropolitan Statistical Areas & Micropolitan Statistical Areas." POLICOM Corporation. [www.policom.com](http://www.policom.com) \*Havre, included in prior year reports, is no longer considered a Micropolitan area.

# Looking Forward!



Image courtesy of CTA Architects



## **Downtown Bozeman Business Profile**

A compilation of economic and business demographic data for Bozeman Montana's downtown commercial district.



- 115 business owners answered 16 questions providing a wide range of data regarding:
  - Businesses (type, longevity, lease vs own space)
  - Employees (FTE, PTE, wages)
  - Revenues (current, projected, impact of recession)
- Report also includes information about downtown organizations, new developments, and planning efforts.

Over 50% of downtown businesses have been in business over 10 years.



Nearly 75% of downtown businesses have recovered from the 2008 recession.

2,500 to 3,000 employees work downtown.



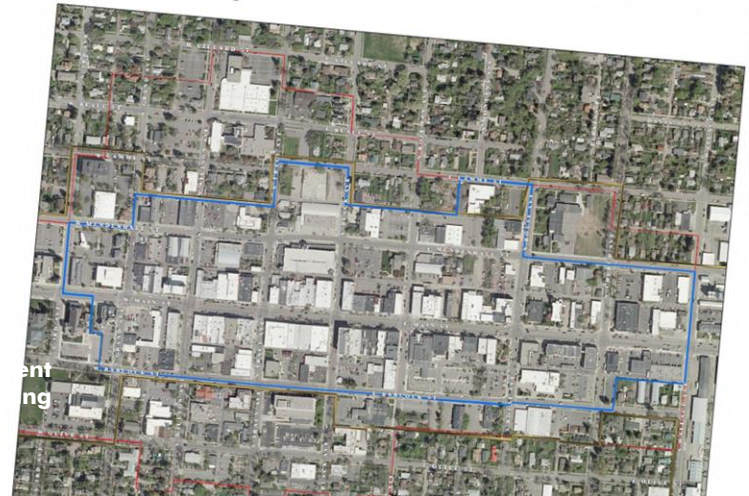
Over 80% of downtown businesses anticipate annual gross revenues to increase this year.

Next Steps.....

New ~ Downtown Economic Profile

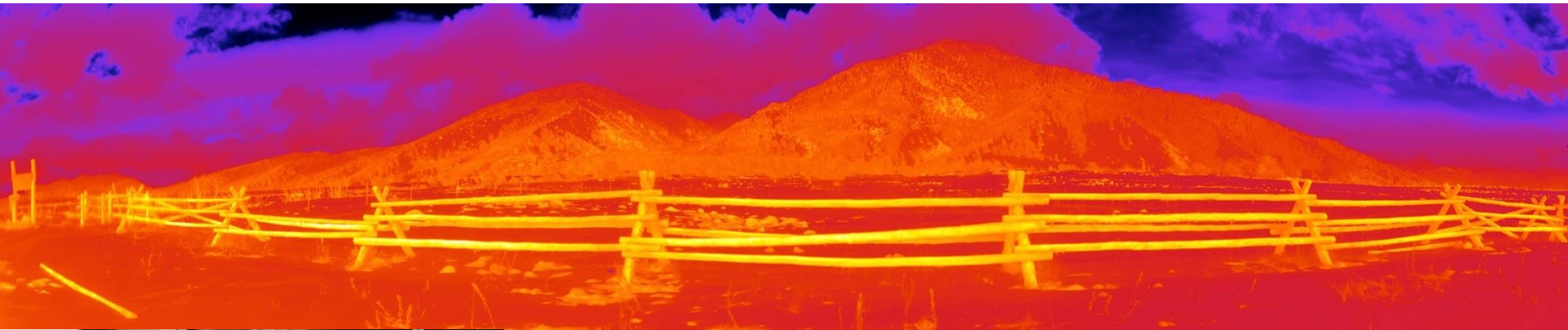
- Business retention, expansion and attraction
- Regional social, cultural and economic center

**Downtown Map**

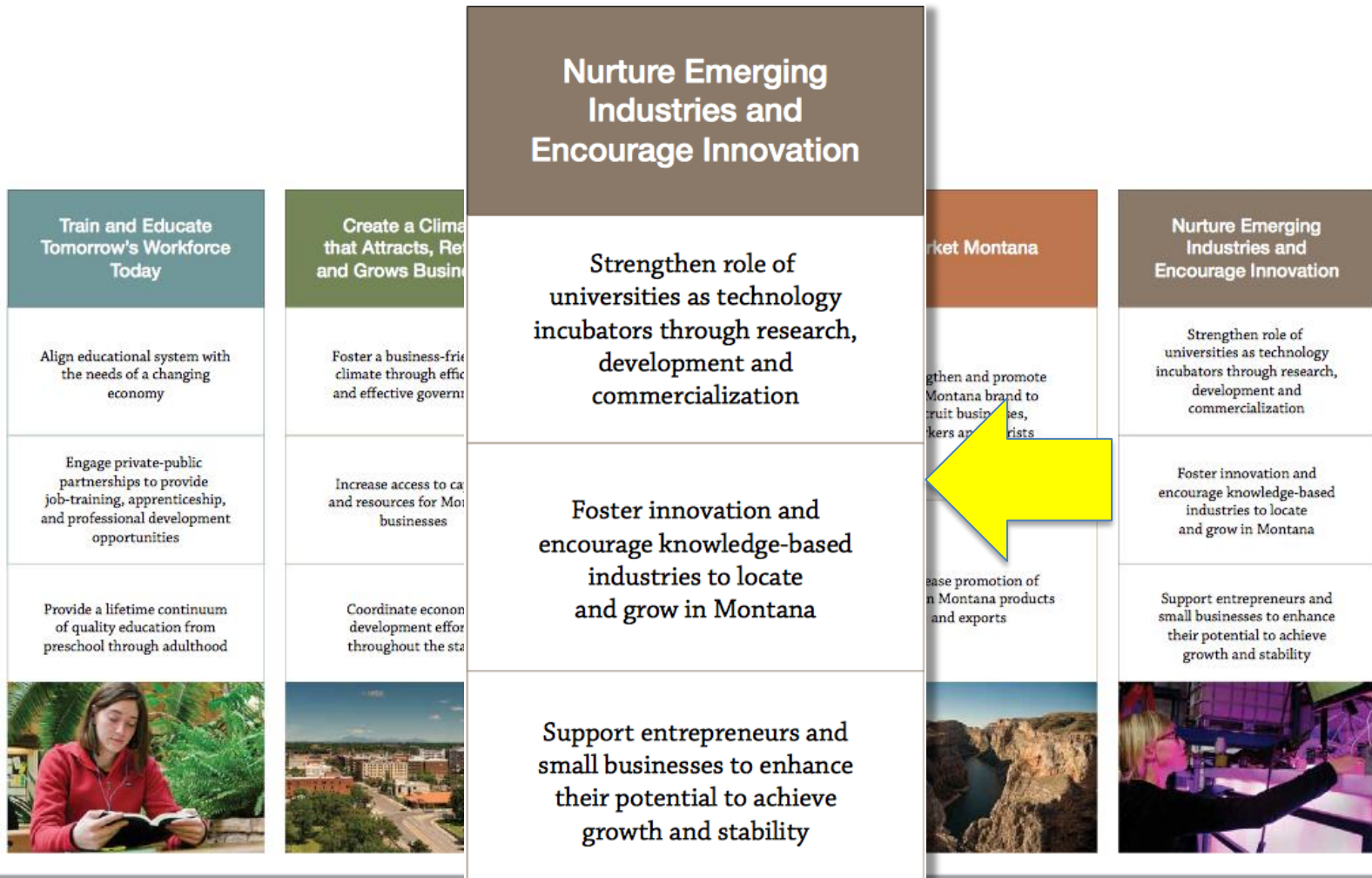




**Montana  
Photonics**  
Industry Alliance



# Montana's Emerging Photonics Industry







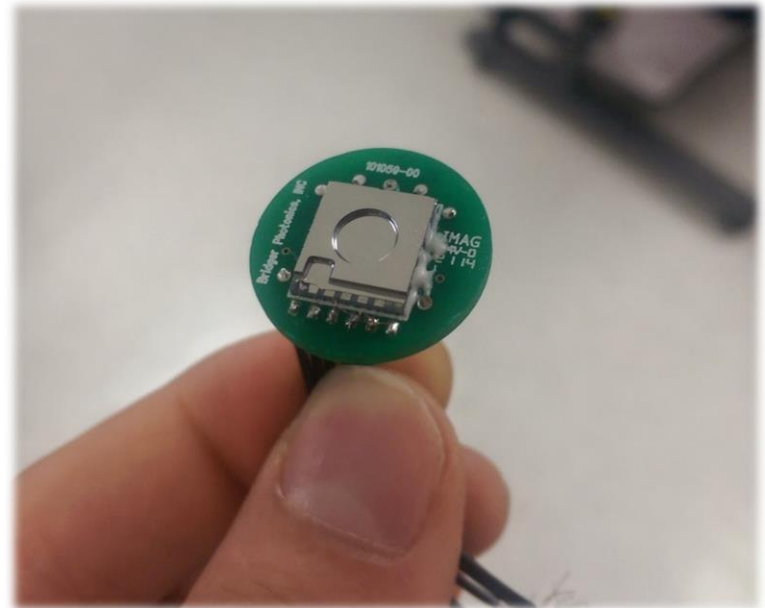
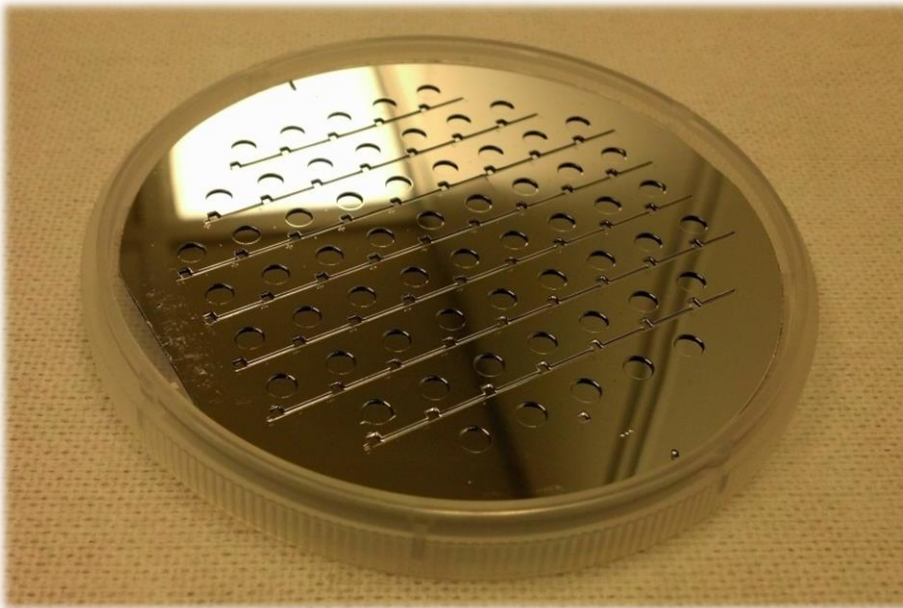
The Montana Photonics Industry Alliance is a network of Montana optics and photonics companies, entrepreneurs, laboratories and universities.

- 25 companies
- 460 employees
- Growing at 9% in 2014

### Long-Term Objective

Foster the growth of Montana optics and photonics companies, universities, and other organizations to achieve at least 1,000 photonics-related jobs by the end of 2024.

## Revibro Optics ~ A new start up company in Bozeman



Mirrors are currently fabricated at the Montana Microfabrication Facility at MSU using high-volume processes developed for integrated circuits.



# Montana State University – Hutcheson Emerging Fellows Award

Fellowship funded by local photonics industry leader ~ Ralph Hutcheson

- Designed to boost the entrepreneurship of MSU graduates for the rapidly growing laser optics industry in Montana



David Walsh

Professional Masters of Science  
and Engineering Management





February 10-12th in San Francisco, CA

Industry Alliance

Montana's growing photonics and optics industry will be represented at

## **SPIE-Photonics West 2015**

**Moscone Center, San Francisco**

**February 10-12th, 2015**

**Hall D North, Booth 5321**



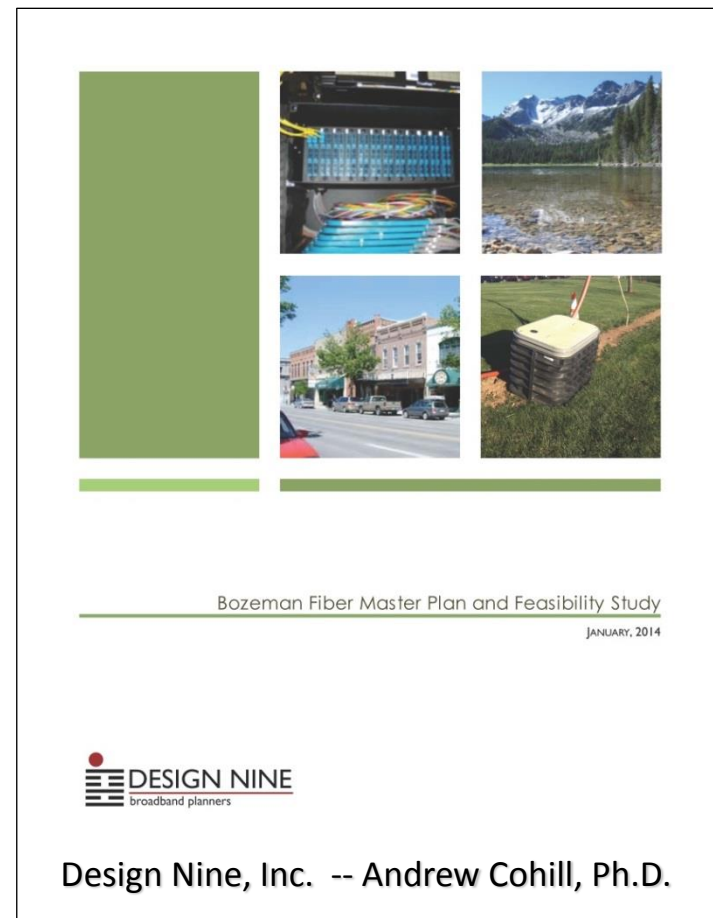
**MONTANA**  
AMBASSADORS



# Bozeman Fiber Network Study

## Project Sponsors:

- Bozeman Deaconess Health Services
- Bozeman Area Chamber of Commerce
- Northwestern Energy
- Bozeman Public Schools
- City of Bozeman
  - Economic Development, Downtown TIF District, North 7th Avenue TIF District
- Montana Department of Commerce,  
Big Sky Trust Fund
  - Prospera Business Network
- U.S. Economic Development Administration
  - Northern Rocky Mountain Economic Development District



# Goals of a Fiber Initiative

- ▶ Give Bozeman a world class broadband infrastructure that enables local businesses to compete in the global economy
- ▶ Businesses will have the right infrastructure to grow and to create jobs
- ▶ Bozeman has the right infrastructure to attract new businesses
- ▶ Reduce costs of broadband for the City, for businesses, for schools, health care
- ▶ Create a public/private partnership
  - ▶ City should not compete with the private sector



# ***Broadband is the road, not one of the trucks***

- ▶ A community with a modern digital road system that will deliver many kinds of services, not just Internet

## ***Recommendations***

- Expand City conduit/handhole infrastructure
- Lease extra capacity to private providers
- City provides only basic infrastructure, City builds and maintains road, but does not own the businesses that use those roads.
- Encourage development of a locally owned fiber initiative firmly vested in the community

Design Nine, Inc. -- Andrew Cohill, Ph.D.



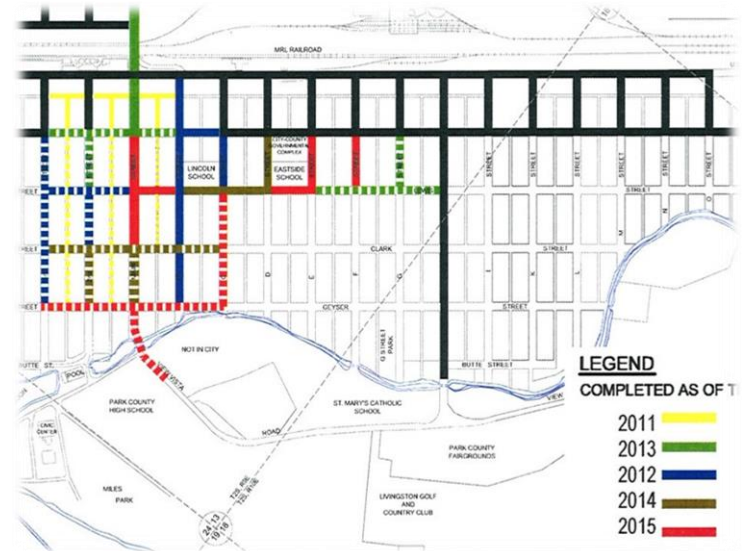
# LIVINGSTON

Montana

GO BEYOND YELLOWSTONE

## Central Business District ~ Comprehensive Engineering Report

- Twelve block infrastructure and streetscape improvement project.
- Taking multiple engineering reports ~ consolidate into one unified conforming document.





# Hidden problems.....

- Underground Vaults
- Abandoned and un-mapped Utility Lines
- Weak Building Foundations
- Drainage Issues
- Street & Foundation elevation differences
- **Keystone engineering challenge on Callender Street ~ caught early will now save taxpayers thousands of dollars over next two years.**





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*Helping Business Prosper*