

Comprehensive Economic Development Strategy

2022 – 2027 Revision

Custer County

Powder River County

Rosebud County

Treasure County



Southeastern Montana Development Corporation

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JON TESTER
MONTANA

COMMITTEES:
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BANKING
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United States Senate

November 21, 2022

Angela Martinez, Regional Director
U.S. Department of Commerce
EDA Denver Regional Office
1244 Speer Blvd, Suite 431
Denver, Colorado 80204

Dear Ms. Martinez:

I write in support of the continuing regional economic development efforts of the Southeastern Montana Development Corporation (SEMDC) in Colstrip, Montana.

Updating the Comprehensive Economic Development Strategy (CEDS) for the four counties of Custer, Rosebud, Powder River and Treasure will help these areas grow economically. The CEDS will provide them with a guiding document that reflects a unified regional approach to creating healthy and vibrant communities. Montana is a rural state; joining communities and counties together in the name of economic development will help ensure these communities maintain a vital status across the state of Montana.

Thank you for your attention to this application. If I can provide any additional information, do not hesitate to contact me. Please inform my office of the eventual decision on this application.

Sincerely,



Jon Tester
United States Senator

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COMMITTEES
BANKING
ENERGY AND NATURAL
RESOURCES
FINANCE
INDIAN AFFAIRS

November 22, 2022

Angela Martinez
Regional Director
U.S. Department of Commerce
EDA Denver Regional Office
1244 Speer Blvd., Suite 431
Denver, CO 80204

Dear Ms. Martinez:

I write to you in support of the Southeastern Montana Development Corporation's (SEMDC) revisions to their Comprehensive Economic Development Strategy.

SEMDC is a cornerstone to the economic vitality of southeast Montana, and is responsible for numerous positive impacts on the four southeastern counties of Treasure, Custer, Powder River and Rosebud, as well as the surrounding counties. Businesses in the southeastern region of Montana are supported by the services that SEMDC provides, including business assistance, grant assistance, loan programs and planning assistance. Without these resources, many businesses would likely not exist as they do today.

Additionally, I am working closely with SEMDC to support the workers of two of Montana's major industries: value-added energy commercialization opportunities and coal. SEMDC has been instrumental in planning an economic diversification strategy for the coal community in Colstrip, which is an important step in planning for the prosperity of the region for years to come. My office is looking forward to working with SEMDC to support Montana's value-added energy commercialization opportunities and energy jobs to the benefit the people of Montana.

Once more, I support this organization and its economic development efforts that have benefited Montanans in the past and will continue to do so in the future. Thank you for your consideration of their proposed revisions. Please feel free to contact me if I can ever be of assistance.

Sincerely,



Steve Daines
United States Senator

Congress of the United States
House of Representatives
Washington, DC 20515-2600

November 21, 2022

Angela Martinez
Regional Director
EDA Denver Regional Office
1244 Speer Blvd., Suite 431
Denver, CO 80204

Dear Ms. Martinez,

I am writing to you today in support of the Southeastern Montana Development Corporation's (SEMDC) revisions to their Comprehensive Economic Development Strategy.

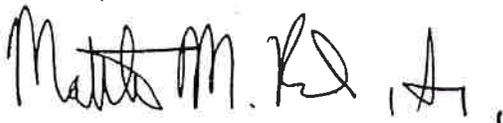
SEMDC has provided free business counseling services to Custer, Powder River, Rosebud, and Treasure counties since 1997. Their expertise has become a critical tool to economically develop the Southeastern region of our state through not only business services but financial, community, and advocacy services as well.

Additionally, SEMDC has been a great advocate for the energy industry, and I continue to work with them to identify value-added energy commercialization opportunities as well as ensure that the workers in our coal industry receive the support they need.

Again, I am grateful for the work of this vital economic development organization and look forward to seeing their continued positive impact on our communities as we work together to support hard working Montanans.

As Eastern Montana's representative in Congress, I thank you for your consideration of their revisions, and if I can ever be of assistance, please do not hesitate to contact me or my office.

Sincerely,



Matthew Rosendale, Sr.
Member of Congress



INTRODUCTION - *EXECUTIVE SUMMARY*

The 2022 Comprehensive Economic Development Strategy (CEDS) revision from Southeastern Montana Development Corporation (SEMDC) represents the commitment and efforts of our staff and Board of Directors to listen and sustain a high level of attention and service to each of our members and the communities we serve.

Southeastern Montana Development Corporation (SEMDC) was established in 1997 as a public benefit, regional non-profit economic development corporation. Today, the four counties of Custer, Powder River, Rosebud, and Treasure, along with the communities of Ashland, Broadus, Colstrip, Forsyth, Hysham, Miles City, and Lame Deer and the Northern Cheyenne Indian Reservation in Rosebud County, have joined forces and capital to create means to encourage, stimulate, and promote economic development in southeastern Montana. This process involves gathering input from culturally and economically diverse groups, including individuals and organizations from the SEMDC Economic Development District (EDD). We continually analyze local conditions and identify the strengths, weaknesses, opportunities, and threats (SWOT). We work to design strategies and coordinate activities to achieve stated objectives.

The 2022 revision of our CEDS is a result of initiative-taking planning with the communities in our region. This update was possible with the active involvement of local elected officials, area business owners, government employees, school officials, and private citizens. During the seven (7) “Town Meetings” held throughout the district, 100 residents expressed a desire to initiate projects that provoke sustainable, multi-faceted economic development.

While every community has different organizational capacities and working partnerships, our communities have a “team sport” collaborative attitude. The five-year CEDS is a joint document that benefits all four counties, including the member cities and towns in the SEMDC District. Successful implementation is a regional strategy, and not a single organization stands alone. The CEDS represents the input SEMDC staff received from annual CEDS community workshops. In the fall of 2022, SEMDC completed the CEDS yearly reports for the Counties, Cities, and Towns in the District. The annual CEDS documents are fluid and updated annually based on changing conditions and community needs. Projects are added or removed as changes are made based on community priorities. In addition to these local planning meetings, SEMDC incorporates information from and encourages the communities to update, revise or amend Growth Policies, Capital Improvement Plans, Pre-Disaster Mitigation Plans, and Regional Multi-Hazard Mitigation Plans.

SEMDC’s district economic structure is firmly based on fossil fuels, agriculture, ranching and small main street business. The political shift of the current administration and its focus on green energy challenges southeastern Montana’s economic future.

Small towns and rural communities are facing new challenges. Some see rapid growth; others are seeing declines in rural populations. The loss of fossil fuel-related employment and affordable housing in our communities is a growing concern. The need for replacing or updating 100-year-old water and sewer lines gains importance as community growth places increasing demands on these antiquated systems. Increasing access to broadband in rural communities and moving away from “Digital Darkness” gains significance because of the need to support the increase in remote workers and distance education. These broadband capabilities also allow access to telemedicine in rural communities and offer the same amenities as urban communities. The lack of services for cell and broadband became incredibly significant and evident during the Covid-19 pandemic.

SEMDC is looking to participate in the Montana Department of Commerce, MT SSBCI 2.0 Loan Participation Program. The State’s Small Business Credit Initiative (SSBCI). Senator Tester secured funds to assist existing Montana businesses that need additional funds to stabilize, pivot, expand, or re-start their business and to help new Montana businesses enter the market. Funding allocated for the state of Montana is to be \$61,327,969, and this will cover the following:

- Venture capital programs
- Loan participation programs
- Loan guarantee programs
- Collateral support programs
- Capital access programs (CAPs)

Small businesses employ 46.4% of Americans. This funding mechanism will allow SEMDC to assist small businesses, helping to access capital needed to invest in business-creating opportunities. Five applications from area clients are ready to utilize this funding tool.

The District is facing challenges in workforce recruitment, costs associated with the growing recession, supply chain issues and rising interest loan fees. Revolving fund programs such as CBDG, I.R.P., SSBCI /EDA and Brownfield regional program are working with neighboring CRDC Eastern Plains Economic Development Corporation to combine programs offering fiscal support. Thus, allowing a business to grow, retain or recruit new employees, purchase real estate or purchase needed equipment to expand a business. States with the highest dependences on small business for employment are among the least populous, Montana, South Dakota, Wyoming, Vermont, and Maine.

SEMDC, in the current fiscal year, has created or retained numerous jobs, helped expand or develop new businesses and had an \$11 million impact in the District. Every dollar invested with SEMDC was leveraged 132 times since 2002, equaling \$76 million.



EXECUTIVE SUMMARY – CONCERNS and DISTRESS FACING OUR DISTRICT

The political focal change in fossil fuels will leave the City of Colstrip and Rosebud County with financial uncertainty as a community. Colstrip's express purpose since the 1920s has been mining coal. The mining industry is facing closure by 2035. The power plant consists of 2 active coal-fired generating units capable of producing up to 1,480 Megawatts of electricity. Units 1 and 2 were decommissioned in January 2020. A significant factor influencing Colstrip's survival is growing pressure from the states of Washington and Oregon to eliminate coal-fired generation from their portfolio. This small community of 2,200 has 600 people employed by the mine and power plant. 80% of households are engaged in the energy industry. Senator Duane Ankeny, a former coal miner, introduced Senate Bill 191, creating a Rosebud country coal mine trust fund to help prepare for revenue losses in counties that depend on coal. The Montana Legislature has a coal severance tax trust fund but not funds allotted for displaced workers. Rosebud County is the only county in the SEMDC district facing a consistent population decline that began in 2019 when the survival of the coal plant operations became uncertain.

Inflation in March of 2022 was recorded at 8.5 percent. This affects every household with rising costs for necessities such as healthcare, food, and housing. Rising fuel costs added to the rising costs of sustaining a family and refocused consumer spending. Discretionary spending on dining out, travel and vacations decreased. Consumers delayed purchasing automobiles and houses. Most small businesses in the SEMDC district are locally owned and operated. Companies such as feed and seed suppliers, gas stations, cafés, coffee stands, antique/gift stores, and repair shops rely on local and tourism-based consumer spending.

Eastern Montana has been experiencing a 20-year drought, with 2021 being the worst year of those 20. As of October 28, 2021, 100% of the state was in severe drought, with 70% in extreme drought conditions. The long-range effects from abnormally dry to exceptional drought conditions have affected agriculture soil moisture, river drawdown and water reservoirs. Low humidity in the top 6" of the soil creates problems with seed germination and crop growth. The loss of rain is generating economic concerns for agriculture producers, recreationists, and the wildland. Declining river flows and higher probabilities of rangeland fires reduced the volume of out-of-state recreational hunting and fishing as access to State land closed. The lack of Fall hunting reduced out-of-state deer hunters' input into Montana's economy by \$72.40 per day. Montana's 8 million acres of BLM land had 473,072 fishing visits, 371,437 hunting visits and 149,764 wildlife-watching visits. Based on the average hunting season, early September – late November, this activity contributes 3,931 jobs, \$134 million in salaries and wages, \$448 million in sales, \$18 million in state and local tax revenue and \$31 million in federal tax revenue.

Approximately 22,000 privately owned ranches cover Montana. The cattle market's most significant factors are inventory, drought, and input costs. The USDA published an estimated overall cattle inventory on January 1, 2022, showing that the state's cattle inventory is down 2% or 1,887,700 head of cattle from 2021. 2021 saw an inventory drop from 2020 of 1.2%. The rising feed and non-feed input costs include diesel fuel costs for farming equipment, shipping and added commodity surcharges for feed, fertilizer, and seed.

The drought has displaced cattle from grazing lands, forcing them into yearlong feeding. Ranchers who traditionally utilized winter supplement feeding are now supplementing all year round, adding or having to lease land to graze, adding to input costs and further lowering profit. Ranchers and farmers support our rural communities by purchasing groceries, fuel, and livestock feed and by frequenting cafes and clothing stores while in town. Discretionary spending from this sector in a small community will have a noticeable economic impact on these family-owned businesses.

Lack of childcare in Colstrip and Broadus is impacting workforce hiring. These communities are unable to provide adequate daycare needed for employee recruitment. Lack of employees to fill our district's crucial and immediate vacancies in schools, hospitals, and larger industrial projects. Lack of childcare keeps potential employees from working as the need for childcare keeps a parent at home. As childcare becomes harder to find, employees commute 40 – 80 miles daily for childcare in surrounding communities. The cost of childcare, fuel and inflation is detrimental to keeping employable parents working. This is a considerable concern with the current workforce shortage in the district. The lack of housing and buildings for sale in Colstrip frustrates any possibility of a quick remedy. Before the pandemic, the low-paying childcare sector struggled from the above factors. The pandemic exacerbated the problem.



Miles City daycares have incentivized sign-on bonuses and higher wages to continue offering childcare to the community. Daycare costs have increased, on average, by 20% in 2022. Now, post-pandemic, 41% of the parent's income goes to childcare. Families must budget \$14,117 annually for childcare, up \$9,977 from pre-pandemic costs.

Lack of childcare negatively impacts recruiting and retaining essential employees. How will notable employees move their families into communities without childcare? This problem affects all economic areas of SEMDC's member communities.

There are many concerns about Highway 212. The two-lane highway has significant winding areas, steep vertical grades, a flat landscape, a lack of passing lanes and slower traffic lanes making this the deadliest road in Montana. The corridor comprises two non-interstate national highways that pass through the Crow and Northern Cheyenne Reservations and four counties: Big Horn, Rosebud, Powder River, and Carter. It is the quickest route between Rapid City, South Dakota and Billings, Montana. It is also a preferred route for commercial trucks transiting between the I-90 interchange at the Bighorn Battlefield and Montana – Wyoming state line, a 167-mile transit route. Speed has been reduced for all traffic to 65 miles an hour, day or night. Speeding and reckless passing on rural segments, including over 300 turn-off points on the Northern Cheyenne Reservation in Rosebud County, make the road extremely dangerous.

Establishing a policy of cross-deputization among the Northern Cheyenne Tribal Police, Bureau of Indian Affairs, Rosebud County Sheriff's Office, and Montana State Patrol would give all these agencies the authority to enforce laws on US 212 and add a significant number of enforcement officers to watch the highway.



“How We Help”

In 2021 alone, a minimum of 1.75 direct CEDS jobs were created, but an additional 22 private sector jobs (non-CEDS) were created in the EDD.

The number and types of investments undertaken in the region include 29 projects. Eleven completed projects were public sector projects (Water, Wastewater, Public Safety Equipment, Feasibility Studies, and Roads / Bridges) worth \$6.6 million. Overall, in 2021 SEMDC worked on 61 projects, including grants, loans, contracts, and planning documents. The amount of private sector investment in the region after implementing CEDS was \$1.4 million. Since 2010 projects and clients in the SEMDC region have received grant funding totaling \$46.3 million.

In 2021 three significant needs were noted in the economic region:

1. The CEDS Community Recaps showed regional Broadband Capacity, Community Marketing Outreach, and Public Infrastructure / Housing funding.
2. Additional Federal & State Funding availability from CARES Act, ARPA, and EDA.
3. Coal and COVID-related Economic Slowdowns, Investment Indecisions, and Future Uncertainty stress small businesses.

SEMDC developed a Disaster/Economic Recovery and Resiliency Strategy with regional applicability and current with the cooperation of its member City, County, and Tribal government entities. This document outlines the potential risks associated with natural and human-influenced catastrophes, how these events might impact the area's residents, and provides guidance and planning processes that will help mitigate and overcome the challenges presented by such a disaster.

Each County has its Disaster and Emergency Planning documents, processes, and local management officials. SEMDC serves as a regional planning entity that helps to link these assets together across jurisdictional boundaries and assists with putting the tools into an economic development-related context. (*Southeastern Montana Development Corporation Disaster / Economic Recovery and Resiliency Strategy in Appendix*).

Southeastern Montana Development Corporation provides essential services as part of their overall economic development capacity-building and planning package to local governments and small communities across the four-county region.

- **Business Services** – the staff provides free and confidential business counseling to start-ups and existing businesses. SEMDC also partners with Miles Community College to provide technical assistance to business owners through Montana’s Small Business Development Center (SBDC).
- **Financial Services** – operates a Revolving Loan Fund (RLF) that provides a gap-lending tool to help small businesses become eligible for traditional bank financing. This bridges the divide for companies that have not reached the point of a bankable loan proposal. SEMDC continues to collaborate with regional banks versus competing with them. SEMDC, with a Memorandum of Understanding (MOU) with

Eastern Plains Economic Development Corporation (EPEDC), helps provide administration and services to five additional counties.

- **Community Services** – the organization provides various community development services, including grant writing, project/grant administration, and local/regional planning.
- SEMDC offers exclusive CEDS planning and implementation services and access to EDA programs and other funding opportunities.
- **Advocacy Services** – interacts with state legislators and the Montana Congressional Delegates, providing a critical linkage to local issues, information, and testimony at hearings and governmental proceedings.



SEMDC's strategic direction must align with the “Vision” or “Mission” statement set by the Board of Directors.

Mission Statement

“The mission of Southeastern Montana Development Corporation is to maintain, diversify, and improve economic conditions and to foster cooperation between public and private entities in Custer, Powder River, Treasure, Rosebud, and the Northern Cheyenne Indian Reservation.”

Vision Statement

“Southeastern Montana Development Corporation envisions a coalition of community and counties with diversified industries supporting thriving commercial centers while maintaining a traditional, rural, high-quality lifestyle.”

SEMDC helps provide strategies to our district's cities, towns, and counties. The concerns and distresses facing the district are many and significant. SEMDC supports and encourages its communities to:

- Regularly assess the community's risks and vulnerabilities
- Inventory and organize the community's recovery resources
- Engage businesses and community residents in the planning process
- Ensure resources are available for the elderly and those with special needs
- Identify partners, as well as the type of assistance and resources they can provide
- Establish a timeline for (immediate, short-term, intermediate, and long-term) projects

SEMDC also identifies the specific challenges unique to the SEMDC regional communities:

- Developing technical expertise and economic analysis tools for conducting initial assessments and long-term economic impact analysis and leveraging assets
- Encouraging concepts and principles of economic resiliency into the existing planning and development plans and activities within the region and providing collaboration across jurisdictions
- Offers grant writing expertise and technical assistance to regional and local entities for pre-disaster resiliency and post-disaster recovery efforts.
- Establishes familiarity with traditional economic and community recovery funding sources, including resources for business development assistance programs, such as EDA's Revolving Loan Fund (RLF) programs, private, nonprofit, and philanthropic resources, and providing technical support to businesses.
- Southeastern Montana Development Corporation (SEMDC) serves as the lead regional nonprofit economic development organization for a four-county area in southeastern Montana. The organization has had a successful economic development record since 1997. The primary counties within the SEMDC area are Treasure, Powder River, Custer, and Rosebud. Through a Memorandum of Understanding for management of the Eastern Plains RC&D and EDC Revolving Loan Fund, SEMDC also has responsibilities for Carter, Prairie, Fallon, Dawson, and Wibaux counties. Outside the banks, SEMDC is one of the only economic development lenders in the nine-county region. SEMDC is also an established Certified Regional Development Corporation with the State of Montana and recognized by the Economic Development Administration (EDA) as a funded EDA District.
- SEMDC partners with the area Small Business Development Center (SBDC), hosted by Miles City Community College, to offer free and confidential services to area businesses, including business training programs. The SEMDC Executive Officer is designated as a Technical Assistance Provider for our region's Montana Cooperative Development Center.

STRATEGIC DIRECTION / ACTION PLAN

Southeastern Montana Development Corporation (SEMDC) updates strategic planning annually by holding local CEDS meetings in communities in our region. The residents participate in the SWOT analysis. With the updated information, SEMDC uses the current concerns and strengths to modify SEMDC's strategic plan for each community for the year. SEMDC also updates the community's "Infrastructure Needs List" this document is fluid and changes as funding is received, grants are written, or a community's needs have changed.

Current SEMDC Regional active projects List:

- Custer County Flood Control / Levee Project
- Chief Dull Knife College – Construction Options for \$12 million building addition
- ARPA Funding Opportunities – Water, Irrigation, Sewer, and Broadband Projects
- Broadband Engineering Study and Construction by Range Telco
- Powder River Bridge Disaster Project - Phase II
- SB-87 Water Feasibility Study (Colstrip)
- Modular Nuclear Study
- Custer County Senior Center
- NASG Glove Manufacturing Facility (Ashland)
- Travel Plaza Development Study Partnership Study with NCT (Lame Deer)
- Highway 212 Initiative
- Custer County Event Center
- Colstrip Daycare Needs
- Support "Value Added Energy" Commercialization Opportunities
- SEMDC Business Innovation Center (BIC) Construction Project
- Plan to Stabilize IRP/RLF Fund

(Complete current Community Needs List attached in Appendix)

How SEMDC can continue to help in the coming years.

During a recent Board Meeting, community representatives were asked to answer three questions.

“How do you see your community’s involvement with SEMDC in five, ten, and twenty years?”

Answers: *continue active involvement *continue building relationships, and RLF loan participation
*focus on emergency health care *affordable housing for seniors and assisted living housing*

“If your Community could have one project without financial strings, what project would you choose?”

Answers: *Main Street revitalization * recreation center * dam and flood zone issue resolved * small manufacturing plants * clean potable water*

“What would you like your community to be known for?”

Answers: *Thriving * Economic Cultural Center for S.E. Montana * Hub Center for E. Montana * Great Infrastructure * Being Hospitable* Employing Anyone who Wishes to Work * Quality of Life*

The Main Factors Contributing to Resilience:

Shocks are typically single-event disasters such as fires, earthquakes, and floods. Stresses are factors that pressure a city daily or reoccur, such as chronic food or water shortage, an overtaxed transportation system, endemic violence, or high unemployment. Disruptive events are often characterized as “shocks” or “stressors.”

Shocks .” are usually events that occur over a short period that negatively impact people’s well-being, assets, safety, livelihoods, and ability to endure future shocks.

Stressors - in contrast, are long-term pressures that may have no clear beginning or end and weaken the stability of a system and increase vulnerability within it. Due to the timeline difference, often “acute” is ascribed to shocks and “chronic” to stressors. However, more accurately, both shocks and stressors can be acute or chronic.

The value of measuring resilience lies in a community understanding the factors that affect its resilience and stabilizing the presence and interdependencies of both acute and chronic shocks and stressors within the community. The measuring process can provide community leaders and members information to help prioritize investments, allocate limited resources, and target the most effective programs and policies to mitigate the effects of shocks and stressors.

- The ability to recover quickly from shock
- The ability to withstand shock
- The ability to avoid shock altogether





ORGANIZATION PROFILE – ORGANIZATIONAL OVERVIEW

MANAGEMENT AND STAFF

Jim Atchison – *Executive Director*

Jim was born and raised in eastern Montana. He graduated from Dawson College and then Montana State University - Bozeman with a Bachelor of Science degree in Business – Marketing in 1980. After spending 16 years out-of-state managing retail stores and companies, he returned to Montana in 2000. Jim was hired as the Executive Director of Southeastern Montana Development Corporation (SEMDC) in 2001. He is certified as an Economic Development Financial Professional by the National Development Council and was selected as the state-wide Anthony J. Preite “Champion of Economic Development” Awardee in 2020. He is responsible for all daily operations of this regional non-profit economic development group.

Julie Emmons-Stoddard – *Community Services Director*

Julie attended college at MSU Bozeman and received her BS Degree from North Carolina State University in Ag Business Management. She joined SEMDC in July 2007 after a 10-year career with USDA Rural Development in North Carolina. She served as a Community Development Specialist and later as a Business Specialist in the North Carolina State Office of USDA RD. Julie has over 15 years of experience managing her own business. Originally a resident of Powder River County, she has lived in the county her entire life outside of the 13 years she was in North Carolina. Since 2010, she has secured either directly or indirectly an estimated \$46 million in grants for communities in the SEMDC service region.

Angela Mendoza – *Grant Administrator and Public Relations Coordinator*

Angela earned a Bachelor's in Business Administration from Eastern Oregon University and an MS in Organizational Leadership from Southern New Hampshire University. She is pursuing a Doctorate in Business Administration, focusing on strategy and innovations. In 2020, she joined SEMDC, bringing 20 years of business/marketing experience. Angela helped create the new regional marketing and rebranding campaign, worked with personal and business recruitment, and designed websites such as MontanaMadePossible.com, cityofcolstrip.com and semdc.org. She leads our website design/maintenance, press releases, special events, and grant administration.

Amber Hert – *Administrative Services Director and Loan Officer*

Amber provides a funding link between small businesses and the banking community. Currently, she oversees five revolving loan fund programs in the SEMDC toolbox, such as the CDBG, IRP, SSBCI/EDA Brownfield Cleanup, and administers the Eastern Plains EDC RLF Program. She joined SEMDC in early 2022 and oversees the daily operations of the SEMDC Colstrip Office.

Ally Speelmon – *Economic Recovery and Planning Coordinator*

Since early 2022, Ally has been collaborating with local partners, preparing for economic/natural disaster impacts. She worked on economic recovery resiliency strategies in the Comprehensive Economic Development Strategy (CEDS). She is leading the effort to revise the Five (5) Year SEMDC CEDS Plan, evaluating Growth Plans, CIP's, and Disaster / Recovery Strategy Plans.

Pam Hill and **Caprice Gregory** – *Administrative Assistants*

Pam and Caprice bring over 20 years of office management skills and experience to the Team. This includes lending experience, IT, and regional and institutional knowledge. Both continue to work part-time and assist in the general office operations at the SEMDC Colstrip Office.



ORGANIZATIONAL OVERVIEW – ORGANIZATIONAL LEADERSHIP

Membership Structure

Southeastern Montana Development Corporation (SEMDC) is an organization of cities, towns, and counties brought together to form and maintain an economic Development District (EDD). The State of Montana has also approved this organization as a certified Regional Development Corporation (CDRC).

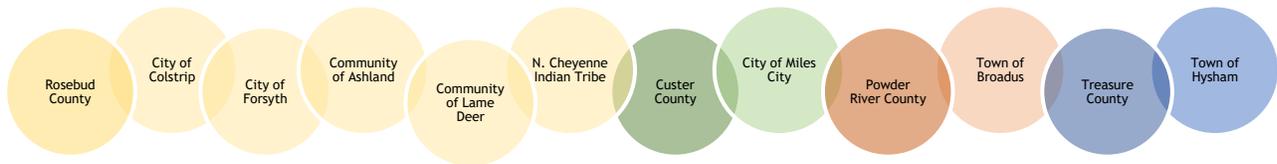
The participating governments and communities are:

Custer County
 Powder River County
 Rosebud County
 Treasure County
 Northern Cheyenne
 Reservation
 Community of Ashland

Town of Broadus
 City of Colstrip
 City of Forsyth
 Town of Hysham
 City of Miles City



These governments all support and agree to the four-county regional partnership and structure. Most governments have contributed \$1.25 per capita to the district formed by Southeastern Economic Development Corporation (SEMDC) for the past few years. Support has continued, with governments each passing a resolution to support the formation of the district.



MANAGEMENT STRUCTURE – *MANAGEMENT & STAFF* – Board of Directors

The sixteen-member SEMDC Board of Directors represents all member Counties, Cities, and Towns in the four-county region, meeting at least quarterly or as needed and having the final vote or authority directing staff and projects. The Executive Board of Officers meets quarterly during off months that require the entire Board not to meet. The five-member SEMDC Revolving Loan Committee meets as needed to review the SEMDC Revolving Loan Fund programs and any loan applications to the SEMDC Revolving Loan Funds. Two SEMDC Board of Directors sit on the SEMDC Revolving Loan Committee, with the remaining three members selected from the professional community and business leaders.

BOARD OF DIRECTORS

The Board of Directors of the Southern Montana Development Corporation (SEMDC) includes a representative from each government (four Counties and five Cities / Towns) appointed by that government entity. Two members are representatives of two unincorporated communities (Ashland and the Northern Cheyenne Indian Reservation) established by the County. One member represents the Miles City Area Economic Development Council (MCAEDC), one represents Chief Dull Knife College or Miles Community College, one represents a significant employer in the region, and the Board Directors appoint two at-large members for a total of seventeen Directors.

The Board of Directors is comprised of seventeen total members broken out as follows:

Nine local governments of elected officials (53%) – including one (1) elected official representative and appointed by the Northern Cheyenne Indian Tribe; and six non-government or private citizens representing the private sector and stakeholder organization (41%); and Member-at-Large (6%). Currently, twelve men and four women are serving on the Board. Minority representation is now two Directors, which is consistent with District percentages. Each Director is assigned one or two areas of interest to represent the district.



*Executive Director - Jim Atchison and
Colstrip Mayor and SEMDC Board
Chair - John Williams*

EDD Board Membership Roster 2022

Government Representatives (51%-65%)

Elected officials and employees of a general-purpose unit of state, local, or Indian tribal government who have been appointed to represent the government

Name	Government	Position
Donna Giacometti	Powder River County	Commissioner
Larry Fink	Town of Hysham	Mayor
Rick Huber	City of Miles City	Council Member
Ruth Baker	Treasure County	Commissioner
Keith Holmlund	Custer County	Commissioner
John Williams	City of Colstrip	Mayor
Raymond Ragsdale	Town of Broadus	Public Works Director
Dennis Kopitsky	City of Forsyth	Mayor
Vacant	N. Cheyenne Reservation	

Non-Government Representatives (35%-49%)

(A) *Private Sector Representatives: Any senior management official or executive holding a key decision-making position concerning any for-profit enterprise.*

Name	Company / Enterprise	Position
Amy Pontius	1 st Interstate Bank – Colstrip	President
Alan See	Tongue River Electric Coop.	General Manager
Doug Martens	Rancher	Owner
Marlo Moher	Rancher	Owner
Vacant	Major Regional Employer	

(B) *Stakeholder Organization Representatives: Executive directors of chambers of commerce or representatives of post-secondary education institutions, workforce development groups, or labor groups. (At least one required representative of post-secondary education institutions, workforce development groups, or labor groups. (At least one is required))*

<i>Name</i>	<i>Organization</i>	<i>Position</i>
Dr. Rita Kratky	Miles Community College	President
Steve Small	Chief Dull Knife College	Work Force Coordinator

(C) *At-Large Representatives - Other individuals represent the region's principal economic interests. (No minimum required)*

<i>Name</i>	<i>Organization</i>	<i>Position</i>
Jack Regan	MCAEDC	Former President

MANAGEMENT STRUCTURE

Management and Staff – CEDS Committee

The CEDS Committee, formed to revise the current Comprehensive Economic Development Strategy (CEDS), is from the entire Board of Directors. Each board member sits on one or two areas of interest to represent the district. These areas of interest are Southeastern Montana Development Corporation Strategy Committee Roster Private Sector Representatives.

(At least 51%)

Any senior management official or executive holding a key decision-making position concerning any for-profit enterprise.

<i>Name</i>	<i>Company</i>	<i>Position</i>
Amy Pontius	1 st Interstate Bank-Colstrip	President
Alan See	Tongue River Electric Cooperative	General Mgr.
Doug Martens	Rancher	Owner
Vacant	Major Regional Employer	.

Representatives of Other Economic Interests (No more than 49%)

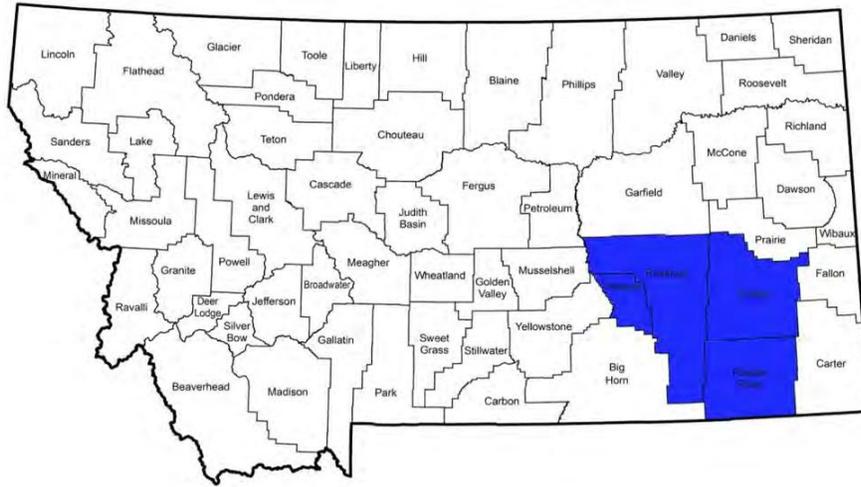
Persons who provide an additional representation of the main economic interests of the region. These may include but are not limited to public officials, community leaders, representatives of workforce development boards, institutions of higher education, minority and labor groups, and private individuals.

<i>Name</i>	<i>Area of Interest</i>	<i>Position</i>
John Williams	Economic Development	President, Southeastern MT Development
Dr. Rita Kratky	Education	President, Miles Community College
Donna Giacometti	Public Official	Commissioner, Powder River County

<i>Interest Represented</i>	<i>Number</i>	<i>Percent</i>
Private Sector Representatives (at least 51%)	4	58%
Representatives of Other Economic Interests	3	42%
Total	7	100%

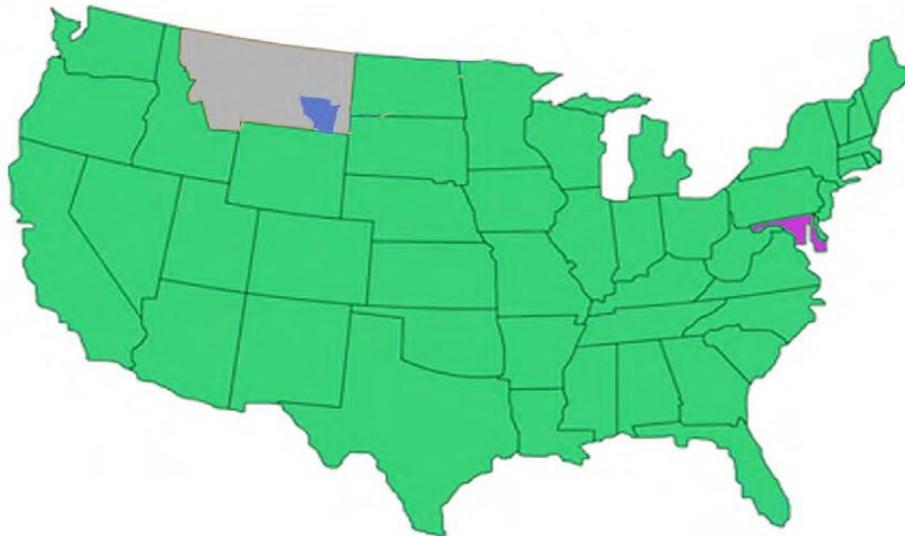


“Where We Are?”



COUNTY	2022 POPULATION	LAND AREA (MI ²)	DENSITY (MI ²)
Custer County	10,832	3,793.34	2.86
Powder River County	1,568	3,298.22	.48
Rosebud County	8,628	5,008.81	1.72
Treasure County	765	977.64	.78

World Population Review 2022



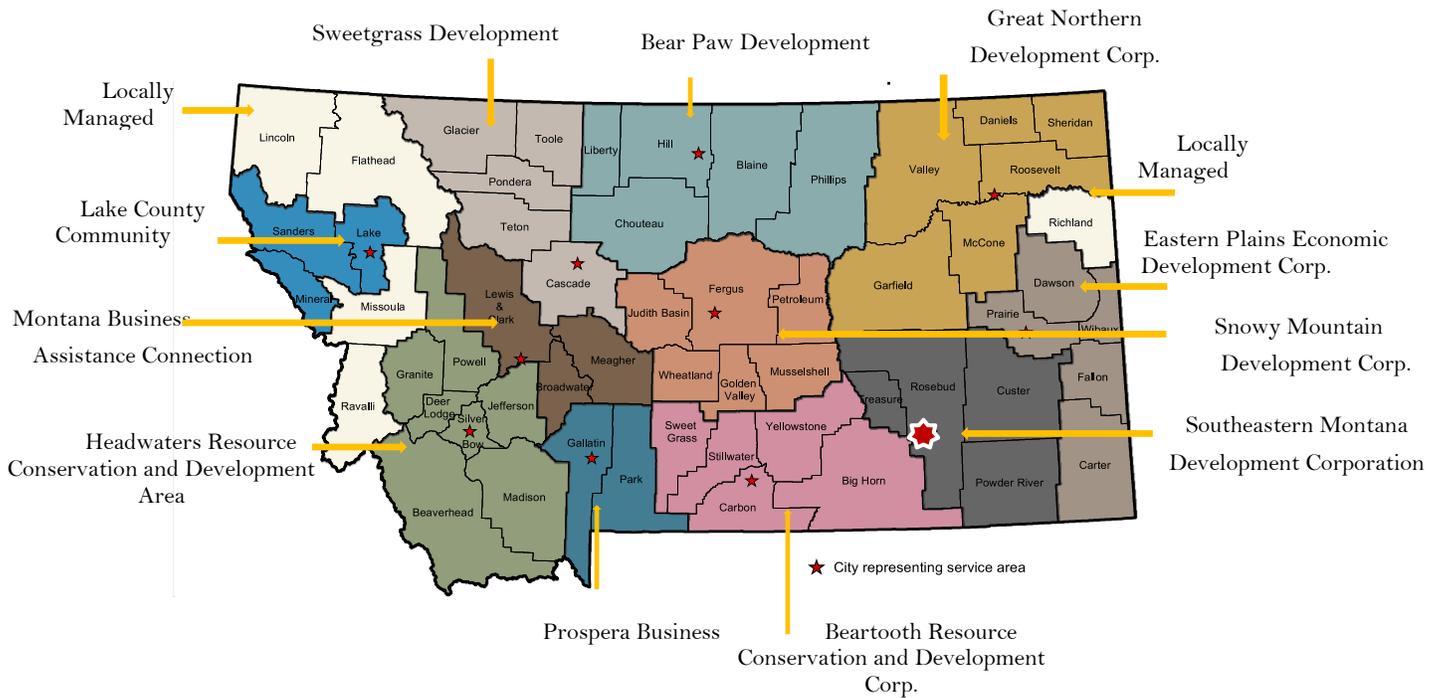
SEMDC Region is 1,000 square miles larger than the State of Maryland

Maryland’s population – 6.15 million

SEMDC region population – 21,793 thousand



CERTIFIED REGIONAL DEVELOPMENT CORPORATION REGIONS - MONTANA

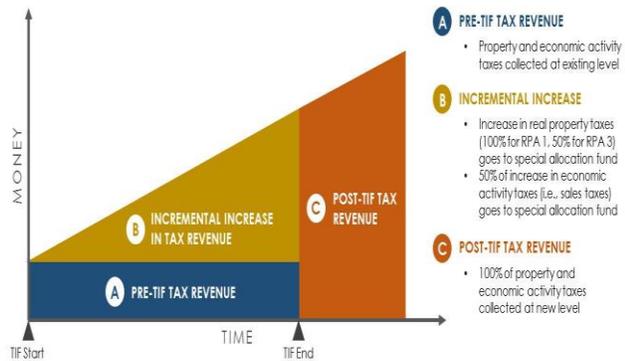


Southeastern Montana Development Corporation shares Certified Regional Development Corporation (CDRC) with eleven regions in Montana. Helping to identify priority needs of local communities and help plan and facilitate action in

Tax Increment Financing Districts

Tax Increment Financing District (TIF) is a method that offers to fund redevelopment, infrastructure, and other community improvement projects. The TIF program stimulates investment in a designated blighted area needing economic revitalization. Municipalities typically divert future property tax revenue increases from a designated area or district to help stimulate economic improvement and growth—the *City of Miles City TIFD Sunsets in 2030*.

TAX INCREMENT FINANCING (TIF)
The basics of how a TIF works



County 2020	Tif District Name	Type Of District	Year Established	Expected Term Date	State Revenue	School Revenue Lost	Local Revenue Lost	Total Tif District Funding
CUSTER	M.C. Downtown URD	Urban Renewal	2016	2030	\$13,804	\$48,836	\$64,555	\$127,195

Opportunity Zones - Opportunity Zones are an economic development tool that allows people to invest in distressed areas in the United States. Their purpose is to spur economic growth and job creation in low-income communities while providing tax benefits to investors.

Miles City’s Downtown Opportunity Zone covers a .08 square mile census tract and has a population of 2,200. This Low-Income Community Opportunity Zone is 35% lower than the median household income for the state of Montana, 3% higher than the state poverty line, 40% lower than the median home value, 3% lower for the population without a diploma, and 2% lower than the median age for the state.

Lame Deer’s Opportunity Zone covers a 380-square-mile census tract with a population of 3,300, representing 160% of the city’s total population. The Low-Income Opportunity Zone is 12% lower than the median household income for the state of Montana; the poverty rate is 15% higher, the median home value is 75% lower, population with a high school diploma is 5% lower than the state and the median age is 37% lower.

Miles City	Custer County	\$37K	16%	\$150K	91%	40
Lamb Deer	Rosebud County	\$50K	28%	\$62K	89%	26
Montana	All	\$57K	13%	\$250K	94%	41

Historic District’s

Historic Districts - Historic buildings, districts, and neighborhoods embody the lives of those who built, worked, and lived in them. They tell a story about a place and connect us to the past. Preserving the story and history can be the community’s featured attraction. These districts positively impact tourism and enhance business recruitment and housing in a historic district. This helps buyers maintain property values.

The Forsyth Main Street Historic District is a 4 acres historic district listed on the National Register of Historic Places in 1990. It included 24 contributing buildings. Cedar St., 11th Ave., Main St., and 8th St bound the Historic district.

Miles City Historic Districts cover over 58 acres. Miles City had significant growth periods from 1882-1887, 1905-1920, and 1935-1940. Miles City has three Historical Districts; Carriage House District has 54 contributing buildings and 21 non-contributing; East Main Residential District was established in 1990 and has registered 42 contributing buildings in the district, and the Main Street Historic District covers 40 aces and offers 65 contributing buildings and 30 non-contributing buildings. Two buildings were removed from the Main Street Historic District in April 2022 due to public safety and health issues.

Newfield Project Updates

The Northern Pacific Railway Depot in Miles City will have the Phase II Environmental Study to evaluate the site for hazardous substances and collect three surface soil samples, including pesticides but not petroleum. Great Plains Architecture completed a Preliminary Architecture Report (PAR) to help Custer County and the City of Miles City find a use for the vacant building.



Northern Pacific Railway Depot, Miles City, MT
Currently in a Phase II Environmental Assessment

Big Sky Rail Authority is showing interest in depots along the old Hiawatha route as they look to reestablish the rail line.

One Health has purchased The Mulligan building, residing in the Main Street Historic District, and has a completed Phase II Brownfield assessment and is awaiting final analysis. One Health's mission is to improve the well-being of everyone by providing accessible, quality health care for the whole community regardless of ability to pay. Informed by a regional feasibility study, the project is a responsive, strategic expansion of health services to address known shortages exacerbated by the COVID-19 Pandemic. The project also addresses the community's desires to integrate the economic benefits inherent to historic conservation and preservation in revitalizing the core commercial district, the Miles City Main Street Historic District. In addition to historic preservation, this project addresses a critical healthcare need in Miles City and the surrounding communities. The 2018 MONTANA GAP PROJECT paints a bleak picture of healthcare access in rural Montana, noting that "many go without primary care, only seeing physicians when it becomes life-threatening.



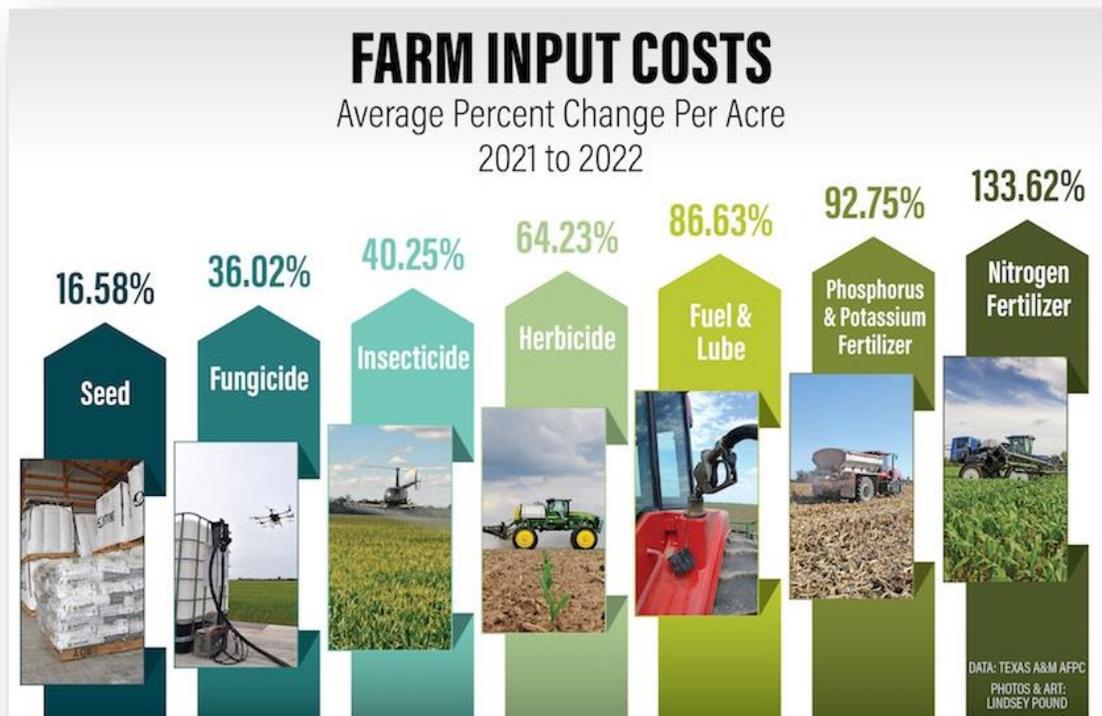
Montana VA had suspended care in Miles City Community Living Center (CLC) in early summer. A few patients have returned to the V.A. and are operating under limited staff.

The Montana VA currently operates 19 locations across the state. The federal recommendations call for closing four of them: rural clinics in Browning, Glasgow, and Plentywood, and the Miles City Community Living Center, a nursing home. As talks of closing the facility continue, current employees are leaving the VA and seeking steady employment elsewhere. Current vacancies include physical therapy, social work, nursing leadership, nurse educator, and recreation therapy. These vacancies impact the restorative care and delivery of appropriate nursing care safely and effectively. GSA has mentioned auctioning the building. Custer County Commissioners are not currently interested in the building but remain interested in the land once the installation is removed. The VA is now looking for new property in Custer Country to build a new housing site.

Small Business Strategy and Updates

Businesses have been rapidly adjusting through transitions from Covid-19 recovery, shifting economic climates, and workforce shortages and are currently facing an 8.6% inflation increase. Fuel prices are a staggering \$4.99 for regular, \$5.89 for diesel, and dyed off-road diesel at \$5.02 a gallon. Dyed diesel added to input costs for ranchers and farmers. In May 2020, red dye diesel averaged \$2.39 a gallon. Today it is 42.5% higher per gallon than in fall 2022. The U.S. has depleted diesel stockpiles that plummeted to a 20-year low.

Research by Texas A&M Agricultural and Food Policy Center (AFPC) shows farmers are seeing every input cost on their farm rise this year. 2022 Nitrogen prices have significantly increased by more than 133% per acre year-over-year. Phosphorus and potassium fertilizer was up 93% during that time. That was followed by fuel and lube, which jumped more than 86% compared to last year.



Supply chain issues, increasing fuel prices and fuel surcharges added to the cost of goods and lowered business profit margins. Rural communities have had to compete with larger metro markets for over-the-road transportation.

Businesses are getting creative and creating digital marketing to expand sales and engage with consumers online. Small companies are widening their online footprint as consumers continue online and mobile shopping.

As Covid-19 dramatically affected how people want to work, small businesses are rising. As the “Great Resignation” indicated, entrepreneurs began accelerating their plans to start their businesses. Microbusiness, those with 1 to 5 employees and start-ups requiring less than \$50,000

are rising. Larger enterprises find hiring and retaining employees challenging and offer incentives to retain workers.

Small business loans are increasing, helping businesses expand into new markets, add locations, or for additional employees. Loans help cover the initial up-front fees for business growth. Interest rates are projected to reach 5.0% in 2022 and decline gradually to 4.4% by 2024. Pre-pandemic mortgage rates for 2020 were 2.68%.

REGIONAL AND ECONOMY - SUMMARY

This section of the CEDS document begins with an overview of the region. We will start with a geographical summary, analyze and compare socioeconomic trends, and finish the section with an environmental synopsis. This document then becomes more specific as it addresses each county separately.

The four counties of Custer, Powder River, Rosebud, and Treasure form the Southeastern Montana Development Corporation district. They cover a vast area of prairies, buttes, ravines, and forests, encompassing 13,280 square miles. With a population of just under 22,867, the density is a sparse 1.4 people per square mile. Three rivers running through the district and several creeks provide cherished water to this semi-arid climate.

The title of the district, Southeastern Montana Development Corporation, aptly describes its geographical location in the state. Its western boundary is 75 miles east of the largest city in the state, Billings, and 300 miles east of the state capital, Helena.

Geography

This region is home to a beautiful and vast landscape of prairies, badlands, and waterways. The southern portion of Rosebud County is also home to the Northern Cheyenne Tribe. Southeastern Montana has coal, methane gas, oil, and timber resources. With just over 13,000 square miles of land, private land ownership and natural resource development are key features of the economy in this region. Natural disasters and severe weather, such as floods, droughts, forests, and rangeland fires, pose threats in this area. Floodplains exist along the three major rivers in the district. The district's significant communities have built levees to protect from the flooding, though Miles City's and Forsyth's structures are uncertified. Flood insurance costs are astounding and are a considerable cost burden on small communities. Miles City's flood insurance policies make up 25% of the Flood Policies in Montana. Estimated current flood insurance policy premiums are projected to be \$1.2 million. In 2015 the total annual cost was \$625,000.

Population

The district's current population is 22,876. Montana's population continues a steady increase starting in early 2020 as people begin to relocate from more populated states. Between 2010 and 2015, there was a .9% population decrease in this area. The population of 65 and over is 19.6%, and younger people are leaving the state for better job opportunities. It is a challenge to find creative ways to increase the quality of place and job opportunities/diversity to retain the youth and maximize the potential of the rising senior population by stimulating the

economy through senior housing and services. Besides the Northern Cheyenne community (which is seeing an increase in its youth population), there is extraordinarily little ethnic diversity in this area—recruiting cultural diversity to an area with long winters, little new economic opportunity, and agriculture as the primary economic driver is challenging.

Over the past five years, there has been a slight decrease in the region's poverty level and unemployment rate. This region has a consistent group of median income in comparison to the statewide average. There are disparities in income and poverty levels across the region. Men have a higher income than women in communities with natural resource development. Communities strong in the coal/oil industries have much higher levels of personal income and thus better basic infrastructure and amenities than communities without.

	Montana	Custer	Powder River	Rosebud	Treasure
<i>% In Poverty 2019</i>	9.7%	9.8%	8.2%	19.1%	17.0%
<i>% In Poverty 2020</i>	11.0%	11.5%	12.6%	17.5%	12.5%
<i>Median Household 2019</i>	\$58,000				
<i>Median Household 2020</i>	\$60,000	\$54,891	\$57,755	\$57,769	\$44,671

Poverty, Recession, and Business

- *The pandemic has caused the U.S. to suffer the sharpest rise in poverty since the Great Recession.*
- *The U.S. poverty rate increased to 11.4%, with 37.2 million Americans living in poverty.*
- *The economic effects of COVID-19 pushed an additional 3.3 million Americans into poverty.*

Housing

Housing, on average, in this region is aging, as the construction industry is inactive, with few new homes being built. Low-income, senior, and temporary housing need to be improved across the area. Recognizing the increase in the senior population in the next 25 years, this could be an opportunity to develop more senior housing and assisted living, which would bring more construction jobs and diversified job opportunities.

Health, Education, Social Services

There is a high percentage of medically underserved communities and a high population of uninsured people. School enrollments are down across the region, creating difficult decisions for school officials. The high school graduate completion rate is average compared to the state; however, college and university completion is low. Social services such as low-income energy assistance and TANF and SNAP distribution have remained steady from 2002 to 2017.

Action for Eastern Montana, based in Dawson County, is a low-income energy assistance program serving 17 counties. The LIHEAP program helps pay winter heating bills from October 1st – April 30th.

Business Patterns and Regional Economy

Between 2010-2015, business establishments across the region increased slightly, exhibiting stability in the local economies. Agriculture and coal mining/energy production is the region's primary industries. Health, education, government services, and small businesses also make up an essential part of the economy. Other sectors, such as hunting, camping, and tourism, bring significant revenue to this region.

Agriculture, Natural Resources, and Energy Development

Ranching, farming, and extractive industries comprise a large portion of southeastern Montana's residents' economy and livelihood. Western Energy Company (WECO) has operated a surface coal mine near Colstrip, MT, since 1968.

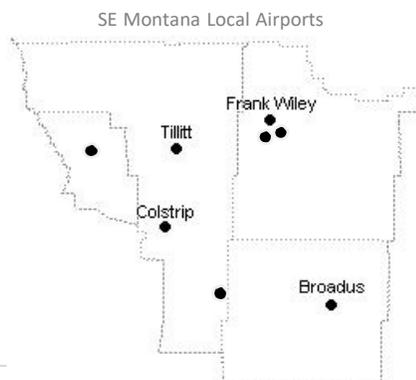
In Rosebud County, WECO's mine produces approximately ten million tons annually. The power plant in Colstrip is the second largest coal-fired plant in the western United States and is operated by Talen Energy. Together WECO and Talen Energy employ eight hundred workers in the district.

Infrastructure

The tax base often needs more financial resources when dealing with rural communities and small populations. Infrastructure, such as paved roads, gravel roads, water and sewer lines, cell phone towers, school facilities, internet service, dependable electricity, and plumbing services, are often in need, and new projects like the North Plains Connector and Clear Water Wind Farm can be a substantial contributor to these counties.

The North Plains Connector in eastern Montana will tie the U.S. eastern and western power grids together, increasing the system's reliability by providing a connection between the separate grids and enhancing energy exchanges and system operating flexibility. The North Plains Connector construction will commence after the project obtains the necessary regulatory approvals. The North Plains Connector could be operational as early as 2028. The North Plains Connector represents a \$1.5-2 billion investment in Montana and North Dakota and will create between 300 and 500 temporary construction jobs as well as permanent employment jobs. The project will connect to the existing substation in Colstrip and extend 370 miles to an existing substation in Center, North Dakota. These projects will be in Custer and Rosebud County.

All four counties in the region have some airports, but only Miles City can provide services to major carriers. The Bureau of Land Management has created a wildfire response base, which has generated substantial opportunities. Miles City formerly



- Broadus
- Colstrip
- Hysham
- Miles City
- Tillet Field Airport - Forsyth
- Holy Rosary Heliport - Miles City
- St. Labre Mission Airport - Ashland
- Sunday Creek Airpark Airport - Miles City

received Essential Air Service (EAS), a federal program to ensure that small communities served by certified airlines maintained commercial service. This loss of economic impact is currently uncertain but limits some economic opportunities.

The Railroads in southeastern Montana are an essential asset in the region because they create jobs, support other industries, such as agriculture and coal, and create a need for other goods and services in the area.

No passenger trains run along these rail lines; however, The Big Sky Rail Authority is looking into options to bring passenger rail into the southern portion of Montana.

Montana Rail Freight Facts – from MTD

- There are more than 3,300 miles of rail run by 12 companies. BNSF operates 59% of these rail miles; Montana Rail Link operates 25%.
- By tonnage, rail carries the most freight, followed closely by trucks and pipelines.
- By value, trucks carry 50% of freight, followed by pipelines at 34% and rail at 8%.
- Rail carries 48% of freight by weight that originates within the state.
- In 2015, approximately 50% of BNSF rail freight carried in or through the state was coal. Farm products made up 20%. Petroleum products were 8%.

October 31, 2022, A potential rail strike and supply chain shutdown could occur as the Brotherhood of Locomotive Engineers, and Brotherhood of Railroad Signalmen rejected a second major rail union contract with the freight railroad industry. The strike is raising a growing concern about a global supply chain crisis.

Environment

Due to the large agricultural base, changes in precipitation and temperature strongly influence this region’s economy. Water, weeds, and land use or reuse continue to be issued as the district sees ongoing challenges in the future from local/state and out-of-state concerns. There is significant coal production in Southeastern Montana, primarily in Colstrip, Rosebud County, which has the second-largest coal mine in Montana. Over 6,000 acres previously used for mining in this area have turned back into quality ranching land through responsible reclamation practices.



Social Diversity

How is “Diversity” identified? The older generation relates to diversity as identifiable demographics: race, religion, gender, or physical capabilities. Millennials view diversity as a blending and fairness to all, no matter gender, race, religion, or ethnicity.

The populations of Custer, Powder River, and Treasure counties, according to the 2020 US Census, identify above 94% as white. Rosebud County has the most diverse population, with the Northern Cheyenne Indian Reservation covering 55% of Rosebud County. The younger people under 16 identify as racial or an ethnic minority. A small population of residents identified as two or more races grew in the 2020 Census by 30%, and the Native American population grew by 7.6% nationwide.

Southeastern Montana, apart from Rosebud County, has extraordinarily little ethnic diversity. The Northern Cheyenne Reservation lies in the southern portion of Rosebud County and accounts for the largest population of American Indians in this area.

	2021					
	MONTANA	SEMDC	CUSTER	ROSEBUD	POWDER RIVER	TREASURE
White persons %	89.9%	84.5%	94.1%	55.8%	94.8%	93.5%
Black persons %	0.6%	0.2%	0.6%	0.4%	0.1%	0.0%
American Indian and Alaska	6.7%	11.1%	2.3%	39.7%	1.9%	3.0%
Asian persons %	0.9%	0.8%	0.7%	1.0%	0.5%	1.0%
Native Hawaiian and Other	0.1%	0.3%	0.1%	0.0%	0.0%	0.0%
Persons reporting two or	2.8%	3.0%	2.3%	3.0%	3.0%	2.4%
Persons of Hispanic or Latino	4.1%	3.2%	3.7%	5.4%	2.3%	4.2%
Foreign born persons %	2.2%	1.7%	1.9%	1.6%	1.5%	0.0%
Language other than English spoken at home, age 5+	4.0%	4.0%	4.3%	8.9%	1.9%	1.2%

SE Montana Ethnic Diversity - Source U.S. Census Bureau:

ARPA Funding – The American Rescue Plan – EV Charging Stations

The need for action in Montana is clear and recently released state-level data demonstrates that the Infrastructure Investment and Jobs Act will deliver for Montana. For decades, infrastructure in Montana has suffered from a systemic lack of investment. The historic Infrastructure Investment and Jobs Act will improve the lives of hundreds of thousands of Montana residents and create a generation of good-paying union jobs and economic growth. The

Infrastructure Investment and Jobs Act will:

- Repair and rebuild our roads and bridges with a focus on climate change mitigation, resilience, equity, and safety for all users, including cyclists and pedestrians. In

Montana, there are 377 bridges and over 1,485

miles of highway in poor condition. Since 2011, commute times have increased by 3.9% in Montana and on average, each driver pays \$472 per year in costs due to driving on roads in need of repair. Based on formula funding alone, Montana would expect to receive \$2.8 billion for federal-aid highway apportioned programs and \$225 million for bridge replacement and repairs under the Infrastructure Investment and Jobs Act over five years. Montana can also compete for the \$12.5 billion Bridge Investment Program for economically significant bridges and \$16 billion of national funding in the bill dedicated to major projects that will deliver substantial economic benefits to communities.

EMI: I-94 Corridor

1,150,000

Overall Transaction Count for 2019

3%

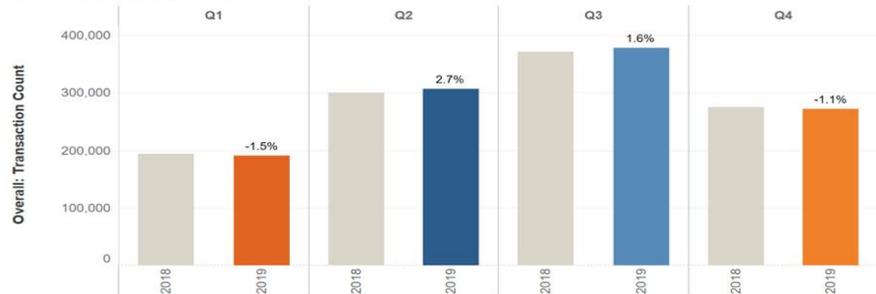
of Montana Overall Transaction Count for 2019 (Out-of-State Only)

▲ 0.8% year-over-year
44% In-State

EMI: I-94 Corridor
Selected Destination Geography

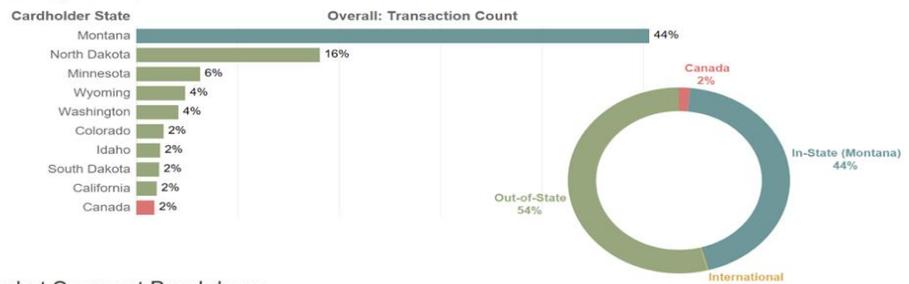
Spending Trend by Year & Quarter

with Year-Over-Year Growth by Quarter



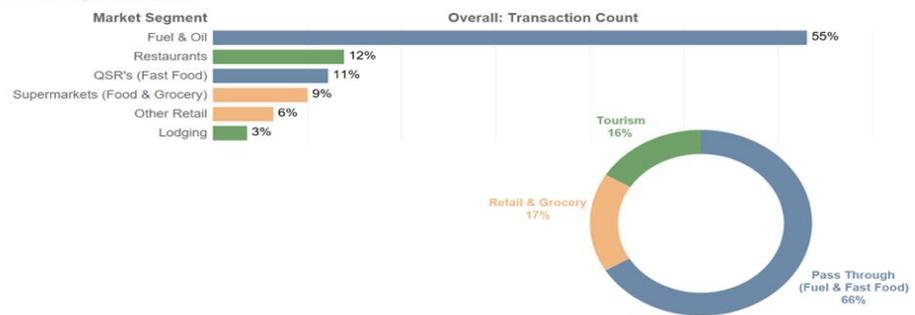
Top Origin Markets

with Percentage of Total Spend



Market Segment Breakdown

with Percentage of Total Spend



- Improve healthy, sustainable transportation options for millions of Americans. Montanans who take public transportation spend 72.8% of their time commuting, and non-White households are 1.3 times more likely to commute via public transport. 27% of transit vehicles in the state are past useful life. Based on formula funding alone, Montana would expect to receive \$157 million over five years under the Infrastructure Investment and Jobs Act to improve public transportation options across the state.

- Build a network of EV chargers to facilitate long-distance travel and provide convenient charging options. The U.S. market share of plug-in electric vehicle (EV) sales is only one-third the size of the Chinese EV market. SEMDC has been working with our district's cities, towns, and counties to help prioritize and execute funding assistance to utilize best the \$1.9 trillion allocated for relief.

The funding priority for SEMDC is economic recovery finding ways to boost the economy, spur growth, and encourage workforce continuation. SEMDC will help communities to stimulate tourism and install economic drivers.

How much does charging an electric car at a charging station cost?

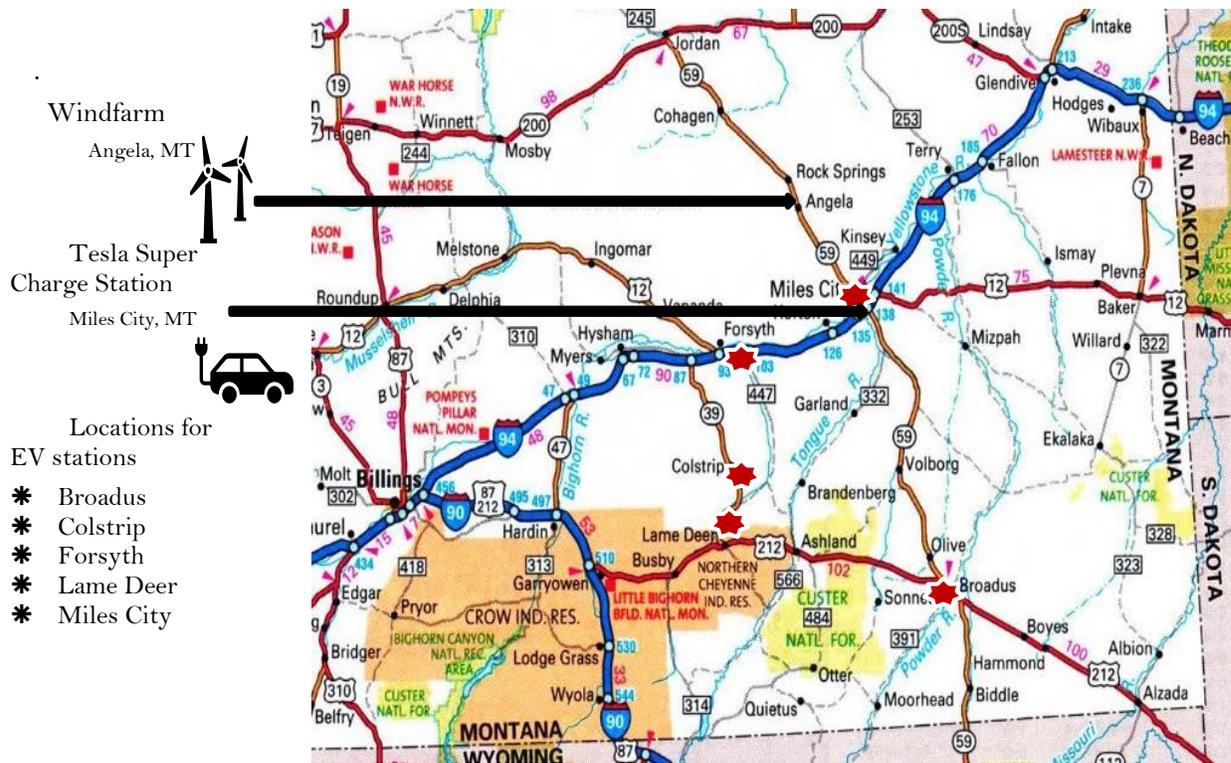
Across the state of Montana, there are currently 64 EV charging stations. Montana covers 559 miles from east to west. The average cost to charge an electric car at a public charging station is \$0.30 to \$0.60 per kWh, three to six times as much as the average American would pay to charge at home. Depending on the size and make of your car, it could cost you anywhere from \$10 to \$50 for a full charge. With the sale of electric vehicles rising, the race is on to build a network of convenient, affordable electric vehicle charging stations.

There are currently about 52,000 public charging stations across the country. As the administration rolls out its plan to build a network of 500,000 electric charging stations across the nation by the decade's end, the number of charging stations will increase significantly and quickly.



Electric Vehicles

President Biden's American Jobs Plan includes a transformational \$15 billion investment to fund and build a national network of 500,000 charging stations. Grant and incentive programs for state, local governments, and the private sector. It will support a transformational acceleration in deploying a mix of chargers throughout communities and charging along our nation's roadways. Placement on rural routes could be a significant economic driver for communities in the SEMDC District. Placement of the EV charging stations will need to occur every 200 – 250 miles based on current car output; Tesla is exhibiting 350 miles between charges (Milage ranges are typically calculated using urban driving patterns). Montana state is receiving \$43 million to prioritize significant existing gaps along the interstate system focusing on U.S. highway 93 and highway 2. Next for funding will be locations where at least two road corridors connect. To meet federal program requirements, each charging station must be located within fifty miles of another charging station, no more than a mile from established travel corridors, and within walking distance of amenities. The next tier will focus on economically disadvantaged communities and gateway communities to national parks and outdoor destinations.



The SEMDC District has one EV station on Highway 59 South in Custer County, hosting an eight-bay, DC fast Tesla Supercharge station. Routes under consideration are Highway 212, crossing South Dakota and Wyoming, heading west to I-90, and charging stations in Broadus and Lame Deer (Northern Cheyenne Indian Reservation). Highway 39 into Colstrip would offer a connection from 212 north to I-94. Those heading west from North Dakota and east on I-94 would value stops in Miles City and Forsyth. The average charge time for a full charge is 8 hours. Offering charge stations within walking distance for lodging, restaurants, and shopping will be a significant economic driver for rural communities. It takes nine hours (without stopping) to drive across the state at 70 miles per hour on an Interstate highway, longer if traveling on one of Montana's many two-lane roads.

Green Energy

The Clear Water Wind project will span Rosebud, Custer, and Garfield counties. The Clear Water Wind project is the largest wind farm in place for the State of Montana. NextEra Energy owns the project. A total of 131 turbines are in a two-phased project. Phase I completed; sixty turbines will be online in late October 2022. Each turbine is 584 feet tall and weighs 798,000 pounds. The hub height for utility-scale land-based wind turbines has increased 59% since 1998–1999, to about ninety meters (295 feet) in 2020.

NextEra Energy Resources touts that a 750-megawatt wind farm will employ approximately 350 workers. The wind project will bring in \$217 million in tax revenue over the next 30 years for Garfield, Custer, and Rosebud Counties; they are also paying landowners to lease their property, providing approximately \$226 million in payments to landowners over the next 30 years.

ARPA Funding and Projects

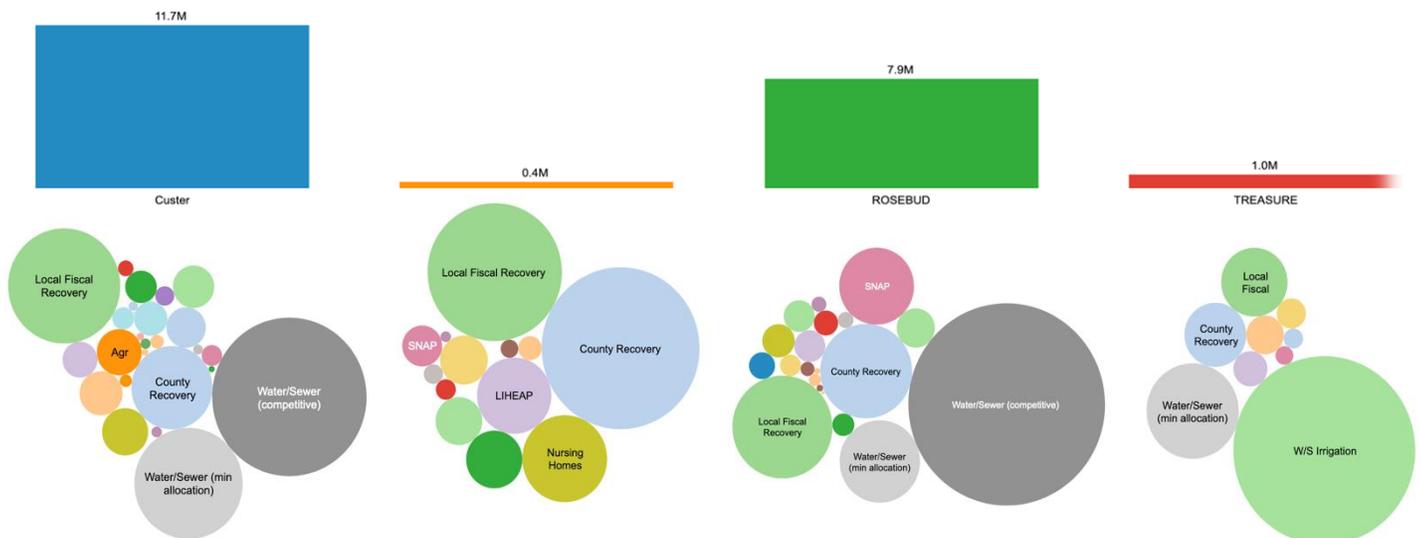
\$21 million in ARPA funding has been allocated to the SEMDC District. SEMDC assists with the minimum allocation amounts for the City of Miles City, Custer County, City of Forsyth, Rosebud County, Town of Hysham, Treasure County, Town of Broadus, City of Colstrip, and Powder River County for water and sewer. The City of Forsyth received \$2 million, and The City of Miles City was awarded two competitive grants totaling \$4 million. Some communities use their Local Fiscal Recovery funds for water/sewer, others for Covid recovery projects. The City of Miles City is directing allocated funds to the Miles City Fire Department.

Ongoing planning and funding challenges highlight numerous federal and state stimulus packages. The ARPA Funds will undoubtedly be a significant funding option as SEMDC has multiple shovel-ready construction projects ready for funding. In December, the SEMDC region Infrastructure Needs List showed a total of \$182 million in projects needing funding. At this time, only \$26.4 million has received funding leaving a shortfall of \$156 million. SEMDC continues to prepare and submit ARPA applications for the nine members. Our CRDC Region has completed eleven infrastructure projects worth over \$6.6 million. Custer County and the City of Miles City have received funding to revise and update the 2015 Growth Policies. The \$156 million shortfall shows that the district still requires significant funding.

SEMDC District ARPA

Custer County \$11.7 Million	Powder River County \$.4 Million	Rosebud County \$7.9 Million	Treasure County \$1. Million
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Total Amount Awarded by County



SEMDC District ARPA Allocations

ARPA Funding Program	Request	Funded
Local Fiscal Recovery Funds	\$3,3482,485	\$3,3482,485
County Fiscal Recovery Funds	\$2,206,587	\$2,206,587
Water and Sewer Infrastructure (competitive)	\$7,995.988	\$0.0
Water / Sewer (min allocation)	\$2,70,970	\$27,000
Water and Sewer Irrigation Infrastructure	\$734,795	\$0.0
Low-Income Home Energy Assistance (LIWEAP)	\$363,431	\$363,431
AG Infustructure Grant	\$ 340,000	\$0.0
Emergency Rental Assistance I	\$401,873	\$401,873
Supplemental Nutritional Assistance Program (SNAP)	\$661,759	\$661,759
Title III Supportive Services	\$311,724	\$277,088
Title III Home-Delivered Meals	\$262,279	\$233,232
Title III Caregiver Support	\$79,148	\$70,360
Provider Stabilization	\$ 239,011	\$ 239,011
HB6 – Renewable Resource Grant	\$70,000	\$10,000
Rapid Retraining Labor Grant	\$60,911	\$22,250
Screening and Testing at Schools	\$70,000	\$70,000
Montana Coal Endowment Program	\$75,000	\$0.0
Congregate Meals Title II	\$186,284	\$186,284
Emergency Rental Assistance II	\$103,698	\$103,698
Rapid Retraining Program	\$60,911	\$22, 520
Nursing Facility Payments	\$512, 989	\$512,989
Women, Infants & Children (WIC)	\$41,826	\$23,540
Return to Work	\$43,200	\$43,200
Preventive Health III	\$25,057	\$22,280
Low-Income Home Energy Assistance (LIWEAP)	\$6.325	\$6,325
Family Violence Program	\$17,226	\$9,446
Homeowner Assistance	\$20,206	\$20,206

Northern Cheyenne Indian Reservation ARPA Allocations

Corona Relief Funds 2020	\$20,361,181.50
CRRSA Tribal Covid Relife Supplemental Funding 2021	\$873,067

REGIONAL ANALYSIS

This four-county region has four urbanized towns with populations over 1,000. Miles City, located in Custer County, is the largest city in the area. It is and has historically been the commercial and transportation center for the region. Each county has a town that serves as the county seat and center of government services. The remaining area is a vast and beautiful western landscape with some smaller communities primarily based on agriculture and ranching.

Custer County is the only county in the region with more residents living in incorporated vs. unincorporated areas, indicating the region's very rural nature. Each county, city, and town have a different culture and offers additional resources. There are festivals and activities throughout the year, including rodeos, county fairs, town festivals, horse shows, car shows, and music festivals. There are also various events outside the region, such as events in Billings like the Blues Fest, the Motorcycle Rally in Sturgis, South Dakota, hunting season, and fishing/ice fishing that bring a variety of people from outside of the region.

The Continental Divide separates Montana into two distinct climates. Eastern Montana is one of the coldest regions in the United States. The eastern plains area is known for the freezing arctic air during the winter. Winter may start in October and continue until April. The average temperature is 80 degrees F in the summer to 21 degrees in the winter. The eastern region receives an average of 10 to 20 inches of moisture per year.

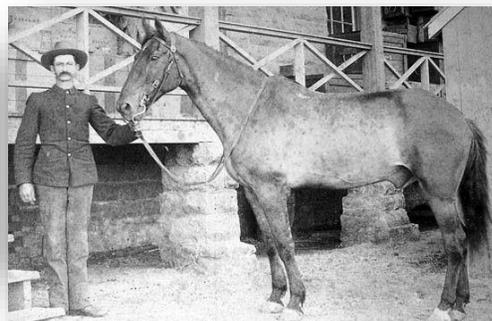
Hot summer temperatures bring thunderstorms that produce high-gusting winds and damaging hail. Dry storms have lightning, and sparse rainfall destroys crops and puts livestock in danger as these storms occur quickly. In addition to prairies and an oil-producing geological formation, badlands are part of the landscape of eastern Montana.

Eastern Montana shares a similar landscape with its neighboring states of North Dakota and South Dakota. Sixty percent of Montana's land consists of grasslands and prairies.

Remnants of early-day reminders linger in eastern Montana. Portions of former travel byways such as the Great North Trail, the Nez Perce Trail, the Wood Mountain Trail, the Whoop-Up Trail, and the Pony Express Route are still visible, as are the ruins of forts, trading posts, and stagecoach stops. Undisturbed areas show signs of travois tracks, wagon wheel ruts, and teepee rings.

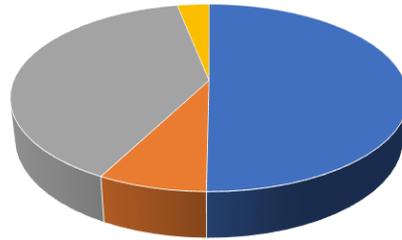


*Fort Keogh Officer Housing
Abandoned in 1880*



Comanche, the only survivor of the Seventh Cavalry's, Battle At The Little Big Horn. Comanche was the horse of Capt. Myles Keogh, whose commanding officer was, Lt. Col. George A. Custer, who were among those killed at the Little Big Horn.

SEMDC District Population



■ Custer County - 11,292 ■ Powder River - 1,681 ■ Rosebud County - 8,863 ■ Treasure County - 695

Source U.S. Census Bureau: State and County

Population

Montana’s population is rapidly becoming older, often called the ‘aging tsunami.’ In 2017, Montana’s percentage of adults aged 60 and older ranked 5th in the United States. According to the Montana Department of Commerce’s Research & Information Services Bureau, the population over age 60 increased by 26.3 percent between 2001 and 2017, from approximately 159,412 in 2001 to 266,841 in 2017. Our fastest-growing age group is 85 and older. According to the AARP Across the States 2018 publication, by 2030, there will be an increase of 57%, and by 2050, an increase of 208% in this age group. It is essential to be mindful of demographic shifts, understand how they will impact the state’s ability to care for older adults, and strategically plan for the increasing demand for services.

Custer County started the process of seeking funding for a Senior Center. Powder River County is looking into a feasibility study to establish a Critical Access Hospital in conjunction with the current nursing home.

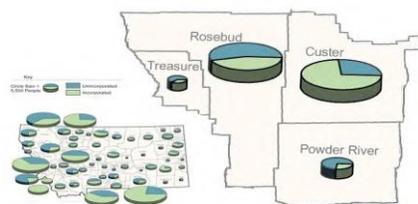
Poverty, Income, and Business Overview

In May 2022, Montana’s unemployment was 2.4%, which showed that Montana had a lower unemployment rate than the national average of 3.6%. The labor force still has a significant lag in recovery. The state population increased by 1% through the pandemic, with people looking to relocate to less expensive and populous regions.

Underemployment is another critical consideration. There is data on how many people work multiple jobs or part-time at wages much less than they are qualified for.

Out-migration statistics and the low unemployment rates are closely related. The SEMDC district counties are close to Wyoming and North Dakota, with ample energy industry opportunities.

Between 2010 and 2015, unemployment in this region declined. Concern that the power plant closings in Colstrip and decreased coal mining activity left Rosebud County with outmigration and a lack of employees for the power plant.



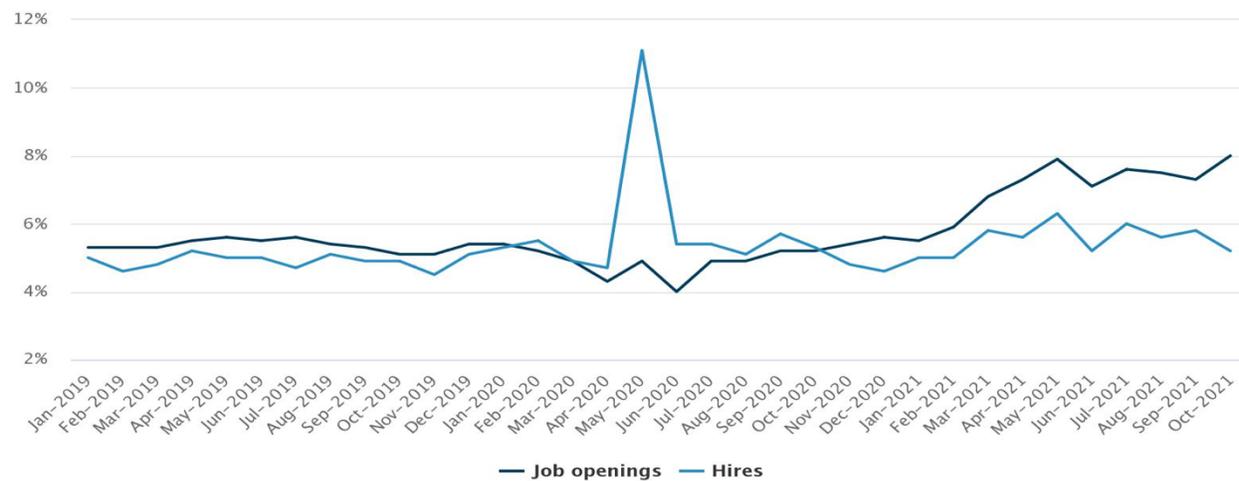
Population - SEMDC Cities and Towns

June 2022 statistics, once compiled, created a list of counties with the highest unemployment rates. Statistic rates were significantly lower in April 2020 than during the pandemic peak of 14.7%

The number of newly established businesses in 2021 for the state of Montana totaled 51,500, surpassing the previous record high of 12,000 in 2020.

For this number to increase even a tiny amount across a region with minimal niche opportunity and negative population growth is encouraging. Montana ranked high in the rate of new entrepreneurs; business applications increased by 50% between 2020 – 2021. Montana also ranked high in successful survival rates for new businesses. While tech startups are growing in western Montana, the state's eastern side has increased in independently owned startups.

Gap between job opening and hiring rate widens in Montana



Source: Bureau of Labor Statistics (JOLTS)

Countries Montana exports the most goods to; South Korea, Belgium and Mexico all rank high on the list of countries where Montana exports the most goods, according to *data from the U.S. Census Bureau and compiled by Stacker.*

Ranking by the highest value of exports in 2021 with Montana:

- #1 - Canada | Total trade: \$6.9 billion (\$5.1 billion trade deficit)
- #2 - South Korea | Total trade: \$232.8 million (\$212.4 million trade surplus)
- #3 - China | Total Trade: \$207.1 million (\$10.8 million trade surplus)
- #4 - Japan | Total trade: \$129.2 million (\$75.2 million trade surplus)
- #5 - Mexico | Total trade: \$183.2 million (\$7.7 million trade deficit)

Belgium, Taiwan, the UK, Singapore, and the Netherlands round out Montana's top ten export destinations.

Education and Workforce Development

Southeastern Montana has a higher rate of high school graduates but a lower rate of bachelor's or higher degrees attained than the state average. At the same time, SE Montana has a higher rate of some college or associate degrees due to many oil field and mining industry workers with welding, mechanics, construction, or other trade-oriented certification education. Grade and high schools are experiencing financial challenges with fewer students enrolled. Infrastructure needs and maintenance continue to be ongoing and expensive. Rural schools find it particularly challenging to compete in offering salaries to teachers and funding educational programs.

Schools in the SEMDC region continue to struggle to attain teachers for the upcoming school year. Currently, 26 teaching/coaching positions are looking to be filled for the 2022 - 2023 school year. The Ashland School district is looking to fill 41 positions to date.

The region has two community colleges: Miles Community College, located in Miles City, Custer County, and Chief Dull Knife College in Lame Deer, Rosebud County, Northern Cheyenne Reservation. These community colleges are a great asset to the region, providing access to higher education, enhancing local culture, and creating community awareness and continuity. These institutions could further develop, especially in natural resources, energy, and research.

Educational Attainment 2020

	2020 Montana	Custer	Powder River	Rosebud	Treasure
<i>Population 18 – 25 yrs.</i>	1,104,271	909	115	731	40
<i>Less than high school graduate</i>	6%	6.3%	6.6%	10.6%	9.7%
<i>High school Graduate</i>	94%	93.7%	93.4%	90.4%	91.3%
<i>Some college</i>	%	%	%	%	%
<i>Bachelor's degree or higher</i>	33%	27.7%	23.2%	17.8%	28.2%
Population 25 years +	690,448	8,277	1,318	5,879	587

SEMDC District School Enrollment

County	Graduate School	Undergraduate	High School	5-8 Grades	1-4 Grades	Kindergarten	Pre School
<i>Custer County</i>	190	220	637	393	529	388	83
<i>Rosebud County</i>	58	169	488	700	588	133	91
<i>Treasure County</i>	9	19	81	46	24	6	5
<i>Powder River County</i>	4	45	96	56	39	5	15

Source: U.S. Census Bureau, Factfinder, Educational Attainment, 2016-2020
American Community Survey, 5-yr. estimates

Housing

Southeastern Montana has high rates of owner-occupied housing versus renter-occupied housing. Given this region's rural nature and low population density, affordable, temporary, rental, assisted, and senior housing is minimal. According to the US Census Bureau, the median home price in Montana in 2019 was \$230,000, and the median rent was \$810.

The overall housing cost is lower than the majority of Montana. However, wages in the area are traditionally lower, so the cost of housing is a burden on many. Some counties have problems with senior housing and a lack of functioning plumbing and basic infrastructure.

The Western Montana region had the most significant expansion in rebound moves. U-Haul rated Montana 19 in the 2020 migration trend during the pandemic. Our neighboring states are South Dakota 22, North Dakota 37, Wyoming 33, and Idaho 30. This influx created a housing shortage and increased the average cost of housing in western Montana in the first 45 days of 2021. In Missoula, the median housing price went from \$324,100 in 2020 to \$419,535, a jump of more than \$95,000. The April 2022 market showed that Missoula's housing market had increased by Western Montana's inflated housing market pushed western Montana residents east to Billings and Miles City, raising prices in the market and lowering affordable home availability. The median listing home price in Miles City, MT, was \$234,000 in April 2022, trending up 35.6%.

The lack of housing options more suitable to the needs of senior citizens combined with underserved medical areas causes many seniors to leave their rural homes and take their accumulated wealth from the communities.

Beyond the lack of available, affordable, and senior housing, there is a degradation of housing infrastructure and some overcrowding in southeastern Montana's current housing state. A lack of quality housing was a significant concern voiced throughout the SEMDC area in individual communities during the CEDS process. Only two non-profit housing organizations are serving the SEMDC area. Miles City Housing Authority's assistance is limited primarily to the Miles City area and Action for Eastern Montana out of Glendive, MT. Delivers some weatherization programs but serves 18 counties over an extensive geographic area.

Inflation has intensified to 8.5% compared with the 2.1% average growth in 2018 and 2019, costing the average household **\$346.67 more per month** to pay the identical bills as in previous years.

Housing Needs

There is an enormous housing shortage in eastern Montana. The shift in population has outstripped the available housing. Even as the average family size decreases, the demand for affordable housing increases. The out-of-state migration occurred as Covid-19 spurred a move of the state's population to more rural areas. In western Montanan cities like Bozeman, Kalispell, and Missoula, the housing market and rental costs pushed western Montana residents into eastern Montana, where the housing crunch is intense. Bozeman's cost of living is 20% higher than the national average, and the median house price is \$899,000, up 38.4 % from the cost in 2021. Unaffordable rent pushed Montana natives to find more affordable housing in less populated areas.

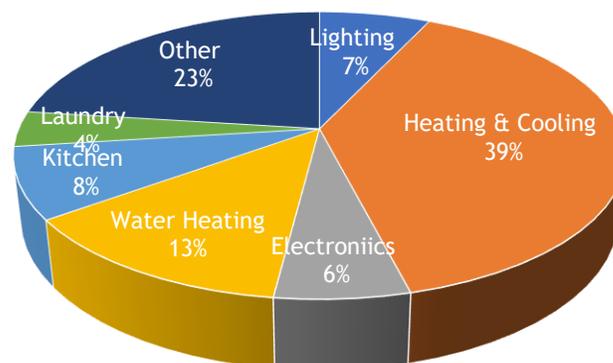
Bozeman's average one-bedroom apartment rental is \$1,800, a 21% increase over a year ago. Billings range from \$1,400 - \$1,600. Miles City is running \$1,200 monthly for apartments, trailer houses, and small houses. Lower rental rates have left Miles City with an influx of renters and home buyers, lowering the availability of housing and rental properties.

The housing crunch is blamed on increased urban incomes and remote working incentives. When there are fewer homes for sale relative to the number of would-be buyers, prices rise. On the rental side of the market, low vacancy rates also produce inevitable rent increases. The rising fees for homes and the rising rent costs have caused increases in homelessness.

The various factors, including an aging population, aging and dilapidated infrastructure, lack of accessible land, lack of contractors, the costs of floodplain insurance/structural needs, a fluctuating workforce population, and increasing construction costs, all impact the current and future housing needs. Housing availability and lack of land for development or purchase were significant issues at all the community meetings.

Average Household Energy Use

■ Lighting ■ Heating & Cooling ■ Electronics ■ Water Heating ■ Kitchen ■ Laundry ■ Other ■



Health Access

This area has limited healthcare resources, including a need for Critical Access Hospitals and Acute Care Hospitals, Primary Care Health Services, Mental Health Services, and Dental Health Services. Many injured people are air flighted or driven to Billings due to the lack of available medical resources. In some areas, the need for cell phone reception hinders fast and effective emergency responses.

The Montana VA suspended healthcare for veterans in the Miles City Community Living Center in April 2022. The VA employed 40 workers and had 14 live-in patients. Patients and employees have relocated to VA Centers with vacancies, and employees have been rerouted to continue working around the state. The closest VA to assist veterans is 194 miles west of Billings.

The pandemic changed the healthcare system for Montana and its rapidly graying population. Wages for medical staff spiked critically high; those willing to travel could double their salary, creating a local workforce shortage in healthcare.

Telehealth

The most apparent reason rural Montanans are less likely to use telehealth than their urban counterparts is the lack of broadband, or “digital darkness, the relative absence of internet or broadband coverage. Problems with poor internet coverage are most pronounced in states with a more significant percentage of rural residents. For example, Montana has one of the slowest internet speeds in the US; 40 percent and 25 percent of the residents are without. The proposed expansion for community broadband will increase availability for rural communities.

Mental Health

For all age groups investigated, Montana ranked number one in the rate of suicide in the United States and has been in the top five for the past thirty years (Montana Department of Health and Human Services). Alcohol and drug impairment, a sense of hopelessness, underlying mental illness, and a societal stigma against depression all contribute to the high rate of suicide in Montana. Custer and Powder River Counties had suicide rates at or above the 80th percentile nationally between 2000-2015. Increasing mental health services and drug (including prescription drugs) and alcohol addiction services could help the physical and psychological well-being of the area’s residents. The level of mental and emotional health and support significantly affects a community’s economic development and the area’s ability to believe in and support itself.

Social Services

In the SEMDC District, social services are much more prevalent in Rosebud County, less so in Custer County, and non-existent in Powder River and Treasure Counties. There is a tremendous need in Rosebud County with the high poverty and unemployment on the Northern Cheyenne Reservation and the small surrounding communities.

Government SNAP and TANF Programs

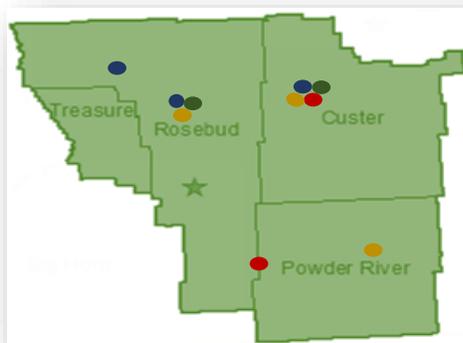
Many older Americans need help to afford the basics with the growing senior population. Protecting and strengthening the Supplemental Nutrition Assistance Program (SNAP) for Americans 60 years and older is more critical than ever.

County	Households 60+	Increase in SNAP	Rural / Increase	Small Town / Increase
Custer County	3.9%	+2.0%	7.5% / +2.9%	6.1% / +1.5%
Rosebud County	6.0%	+2.9%	7.5% / +2.9%	6.0% / +2.6%
Treasure County	23%	+1.8%	7.2% / +2.9%	6.1% / +5.0%
Powder River County	.5%	+7%	7.5% / +2.9%	6.1% / +2.9%

Food Stamps - *Treasure County is not listed in the top 50 counties*

County	House Household (WIC)	% Of Population
Custer County #28	392	8.0%
Rosebud County #20	357	11.0%
Powder River County #37	44	5.9%
Northern Cheyenne Tribe	1,653	31.0%

In Montana, the need for physicians is substantial. There is no 'official' medical school in the state. The only medical education offered is through the WWAMI (Washington, Wyoming, Alaska, Montana, and Idaho) program, which the University of Washington runs. Because of this, Montana's undergraduate students experience a severe disadvantage compared to other undergraduates in pursuing medical education:



- Critical Access Hospital
- Rural Health Clinic
- Federally Qualified Health Center
- Skilled Nursing Facility / Dually Certified
- Urbanized Areas

According to the Association of American Medical Colleges, a report from 2019 showed that 35% of the current practicing physicians in Montana were 60 years old or older. Several counties in Montana do not have any physicians. Montana has one of the most senior average ages for physicians, and they are leaving the workforce in the upcoming years.

The University of Washington School of Medicine (**WWAMI**), Montana's original medical school through the 50-year collaboration between Montana State University and the University of Washington School of Medicine—is the only medical school in the state.

WWAMI admits 30 new medical students each year, 10 of whom are TRUST (Targeted Rural Underserved Track) students. The TRUST program places selected students in a rural medical setting before beginning schooling and allow them to return regularly to learn and work within the same community.

Natural Rescores and Energy Development

The map above shows potential coal and oil development sites across the state. The Otter Creek Coal project is an extensive development project that, until recently, was on track for production. If it ever comes to fruition, this mine would significantly affect the region’s employment, infrastructure, environment, and population. A rail line was envisioned to serve this project. *Update: The Otter Creek coal tract is a coal reserve estimated to be 1.3 billion tons and considered for development. However, given the public sentiment against coal as an energy source, the potential for a new mining operation does not appear to be on the near horizon.*

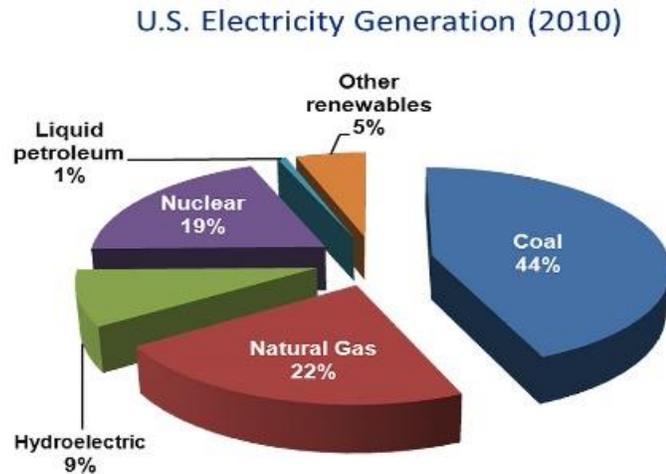
Montana has the nation's largest recoverable coal reserves, about 30%, and the state accounts for about 5% of U.S. coal production. Coal-fired power plants provided the largest share of Montana's electricity generation in 2021, accounting for 43% of in-state electricity, followed by hydropower at 41%, wind power at 12%, natural gas at 2%, and petroleum coke at 2%. In 2021, about one-tenth of the natural gas the United States imported by pipeline from Canada entered Montana. The state has the most significant single underground natural gas storage site in the nation, with 287 billion cubic feet of space.

Western Energy Company (WECO) has operated a surface coal mine in Southeastern Montana since 1968. In Rosebud County near Colstrip, WECO's mine produces 8-10 million tons annually.



The mine typically disturbs and reclaims about 350 acres per year. The Rosebud Mine received the Office of Surface Mining's 1999 Excellence in Surface Coal Mining Reclamation Award for its exemplary reclamation program successes.

Coal production and coal-fired electrical generation are major economic drivers in Rosebud County and the City of Colstrip. Unfortunately for this area, coal has become a very unpopular energy source due to the growing worldwide public sentiment surrounding carbon emissions and subsequent effects on climate change. Many factors have contributed to the recent announcement of the closing of Colstrip Units 1 and 2 (half of the generation facility) by the company's ownership. The closure of these units will lead to significant economic impacts going into the future.



As a proactive measure, two large-scale planning efforts have recently been completed: The EDA investment recently approved the “Coal Communities Commitment Program – Energy Commerce Research Project” This EDA investment supports Southeastern Montana Development Corporation with the research and development of new resources and technologies to support economic diversification and recovery from both the negative economic impacts of the coronavirus pandemic and the significant loss of coal-reliant jobs in the region. The project will study the potential for extraction, development, and potential utilization and commercialization of four critical resources in the region: hydrogen, rare earth minerals, flue gas/formic acid, and carbon/graphene. The research will determine which technologies and resources for future economic development efforts should be the focus. It will identify the best strategies to increase economic resilience and activity in southeastern Montana.

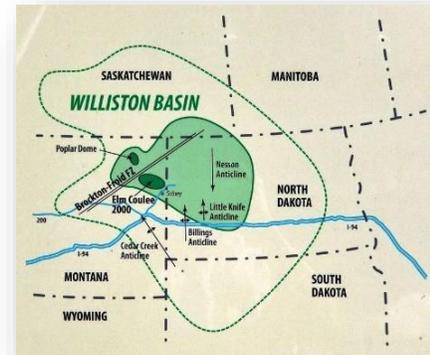
Once completed, the Coal Communities Commitment Program – Energy Commerce Research Project will help the region diversify its local economy by; creating and saving jobs and advancing economic resiliency that the decline in the coal industry has recently impacted.

Retrofitting with options such as carbon capture, rare earth minerals, flue gas, and graphene technology could employ a similar workforce for energy communities and positions. Carbon capture technologies show great promise toward these goals.

Over the past two years, improvements in the efficiency of traditional coal power plants have occurred with the development of solid and nickel-based superalloys used for steam pipes in the combustion furnace. The development of these advanced steel alloys has allowed the steam turbine to operate at higher input temperatures and pressures, in which the steam is in a supercritical state. Thus, new “ultra-supercritical” coal power plants have thermal efficiencies of 44%, compared to the 32% average efficiency of U.S. coal power plants built 35 years ago).

This efficiency gain corresponds to a 27% reduction in CO₂ emissions and all pollutant emissions from the coal power plant.

The Elm Coulee Oil Field in Richland County, MT, is part of the Bakken Formation. This is one of the largest oil fields in the United States of America and covers an area of about 750 square miles. Custer and Powder River County are on the Williston Basin Province boundary.



When Sanjel closed in Miles City, it displaced 200 employees that had to relocate or find other jobs to stay near Miles City. Four hundred employees in Williston, ND.

Percent Changes in Employment and Average Wages, Accommodations Industry (NAICS 721), 2010-14. Source: U.S. Bureau of Labor Statistics, QCEW.

The American Petroleum Association compiled a list of 224 firms in Montana that are vendors to the petroleum industry. Community locations were reported by ZIP code rather than county boundaries.

Area	Change in Employment	Change in Wages per Worker
Montana	9%	14%
Richland County	80%	108%
North Dakota	41%	50%
Williams County	216%	124%
Community	Vendors	
Billings Area	49	
Sidney Area	22	
Missoula Area	12	
Great Falls Area	10	
Bozeman Area	7	
Helena Area	6	
Flathead Area	5	
Butte-Anaconda Area	4	
Miles City Area	3	
All Other Areas	106	
TOTAL	224	

Allowing for a few approximations, petroleum industry vendors – ranging from catering to oil field vehicle servicing – were in thirty-six of Montana’s 56 counties. The statewide distribution of vendors as far away as Missoula and the Flathead, each containing several firms.

Vendors to Montana’s Oil Industry, By Community. Source: American Petroleum Institute.

The Bakken economic impacts have dispersed across Montana by the commuting of workers. Because housing was scarce near the exploration and drilling sites, many workers lived in temporary quarters and returned to their homes between work sessions. These commuters were people working in the Bakken but living and spending much of their incomes elsewhere. The U.S. Census Bureau report identified commuters' places of work and residence in 2014. As shown below, sizable numbers of workers travel from Montana's major urban areas to jobs in the Bakken. For example, about 229 people commuted from the Billings area (Yellowstone County) to employment in Richland County, while another 298 worked in Williams County, North Dakota.

Workers by Place of Work and Residence, 2014. Source: U.S. Census Bureau.

Residence	Place of Work	
	Richland County, Montana	Williams County, North Dakota
Flathead County	29	241
Missoula-Ravalli Counties	39	384
Cascade County	53	266
Lewis and Clark County	18	169
Gallatin County	34	248
Yellowstone County	229	298
Butte-Anaconda	5	132
Custer County	137	195
Dawson County	424	226



Rare Earth Minerals

Coal and coal preparation products are also potential sources of rare-earth elements. REEs are a group of elements (shown in purple on the periodic table below) unknown to most people. They include the lanthanide series elements (cerium through lutetium), yttrium, and scandium. Although unheard-of, rare-earth elements are essential in our modern technological world because they are used in various daily products, including televisions and cell phones. China currently produces most of the world's REEs (85 percent). They used to export large quantities of REEs to other countries; in 2000, more than 90 percent of the REEs used in the United States were from China (Hazel and others, 2002). Now, however, China is using most of what they produce domestically. As Chinese sources have diminished, world demand has increased. The U.S. Government and many manufacturing companies are looking for new domestic sources of REEs. One of those sources may be coal and coal waste. (*Kentucky Geological Study*)

Rare Mineral Uses

Elements	Industrial uses								Example products and uses
	Catalysts	Ceramics	Defense	Glass and polishing	Metal alloys	Magnetics	Phosphors (Luminescent materials)	Cell phones (and mobile devices)	
Sc									Aerospace aluminum alloys
Y									LCD displays, LED lights
La									Batteries, catalysts
Ce									Catalysts, glass polishers, steel
Pr									Strong magnets, aircraft engines
Nd									Strong magnets, lasers, speakers
Sm									Strong magnets, cancer treatments
Eu									LCD displays
Gd									MRIs, shielding in nuclear reactors
Tb									LCD displays, metal alloys
Dy									Computer hard drives, transducers
Ho									Strong magnets, cubic zirconia
Er									Optical fibers, lasers, glass coloring
Tm									Portable x-ray machines
Yb									Nuclear medicine, stainless steel
Lu									Catalysts, petroleum refining
Th									Arc welding, radiometric age dating
U									Nuclear fuel and weapons

Broadband

As technology gets smarter, precision agriculture tools that farmers use daily require the internet. With broadband, farmers can communicate with their technology and track trends in their output to reach their full potential. This is where agriculture can get a little help from having wireless communications between everyday objects. Sensors arranged in the ground help collect data on target inputs such as crop irrigation systems, soil moisture monitors and crop health. Using sensors allows farmers to detect health problems in their cattle earlier. This can improve overall herd health and breeding efficiency.

<i>County Profile</i> <i>2022 Broadband</i> <i>Availability</i>	Served Locations	Unserved Locations	Underserved Locations	Frontier Locations	Total Locations
<i>Custer County</i>	2,956	2,127	20	132	5,235
<i>Powder River County</i>	53	566	161	251	1,031
<i>Rosebud County</i>	302	1,160	2,305	274	4,401
<i>Treasure County</i>	14	278	127	64	473

Served Locations where Maxspeed >= 100/20Mbps *Underserved Locations where Maxspeed >= 25/10Mbps - <100/20 *Unserved Locations where Maxspeed >= 4/1Mbps - <25/10 *Frontier Locations where Maxspeed >= 4/1Mbps

Economic Resilience

The value of the dollar.

YEAR THEN	YEAR NOW	Purchase PRICE	WOULD COST	Inflation RATE
1995	2022	\$1.00	\$1.90	89.7%
2000	2022	\$1.00	\$1.68	67.9%
2005	2022	\$1.00	\$1.48	48%
2010	2022	\$1.00	\$1.33	32.6%
2015	2022	\$1.00	\$1.22	22%
2020	2022	\$1.00	\$1.12	11.7%
2021	2022	\$1.00	\$1.07	6.7%

Calculations by the US Inflation Calculator to measure the buying power of the dollar.

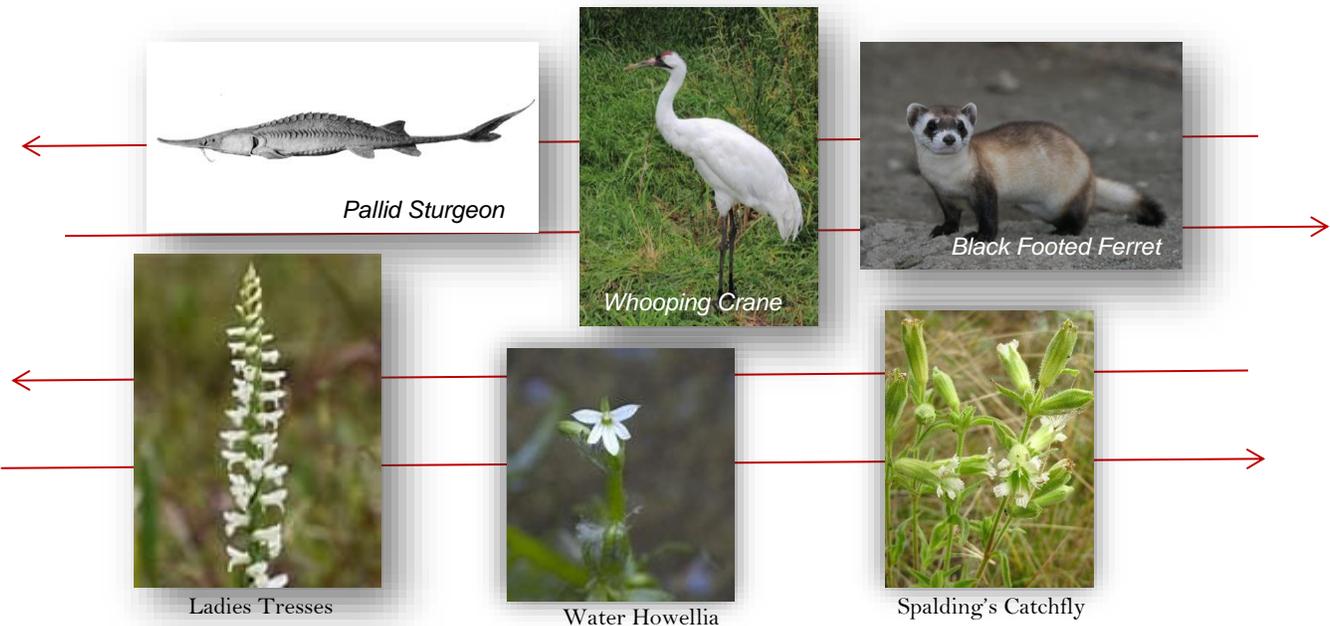
In June 2022, Montana's labor force hit an all-time high, and unemployment remained at an all-time low, benefiting from strong private-sector job growth. However, these gains are offset by fuel prices at a 41-year high of 59.9%, inflation rising to 9.1%, groceries increasing at 12.2%, baby food at 14%, energy services at 19.4%, and new vehicles at 11.4%.

Environment

Montana's Endangered Animal and Plant Species.

Endangered animal species in Montana	
Status	
Endangered	Crane, whooping (<i>Grus americana</i>)
Endangered	Ferret, black-footed (<i>Mustela nigripes</i>)
Endangered	Sturgeon, pallid (<i>Scaphirhynchus albus</i>)
Endangered	Sturgeon, white (<i>Acipenser transmontanus</i>)
Threatened	
Threatened	Bat, Northern long-eared (<i>Myotis septentrionalis</i>)
Threatened	Bear, grizzly (<i>Ursus arctos horribilis</i>)
Threatened	Cuckoo, yellow-billed (<i>Coccyzus americanus</i>)
Threatened	Knot, red (<i>Calidris canutus rufa</i>)
Threatened	Lynx, Canada (<i>Lynx canadensis</i>)
Threatened	Plover, piping (<i>Charadrius melodus</i>)
Threatened	Trout, bull (<i>Salvelinus confluentus</i>)

The State of Montana has increased by two species since the 2016 CEDS.



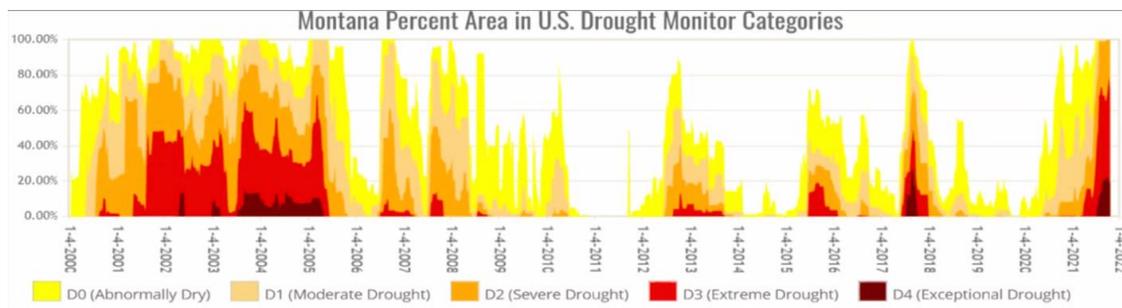
Endangered plant species in Montana	
Status	
Threatened	Catchfly, Spalding's (<i>Silene spalding</i>)
Threatened	Howellia, water (<i>Howellia aquatilis</i>)
Threatened	Ladies-tresses, Ute (<i>Spiranthes divulialis</i>)

Drought

Climate change is estimated to have doubled the area of forest burned in the western United States during 1984–2015, above the effects of weather events, ignition, and fire management. For Montana (and the West), projected climatic changes consistently indicate an increase in fire danger. Years of widespread wildfire activity in Montana are always associated with hot, dry summer conditions (e.g., drought, sometimes starting in spring).

Thunderstorms are common in the general area, occurring 20 to 30 days a year. Dry thunderstorms that produce lightning and little to no rain are a hazard to ranchers and farmers, putting livestock and crops at risk. Strong winds with these thunderstorms can rapidly increase the threat of lightning strikes turning into devastating wildland fires. Thunderstorms may produce hail ranging from pea to tennis ball sizes with wind gusts of 50 – 80 mph. Damaging storms can devastate uncut crops, livestock, homesteads, and vehicles. Average annual precipitation varies from 13 – 15 inches in the southeastern corridor.

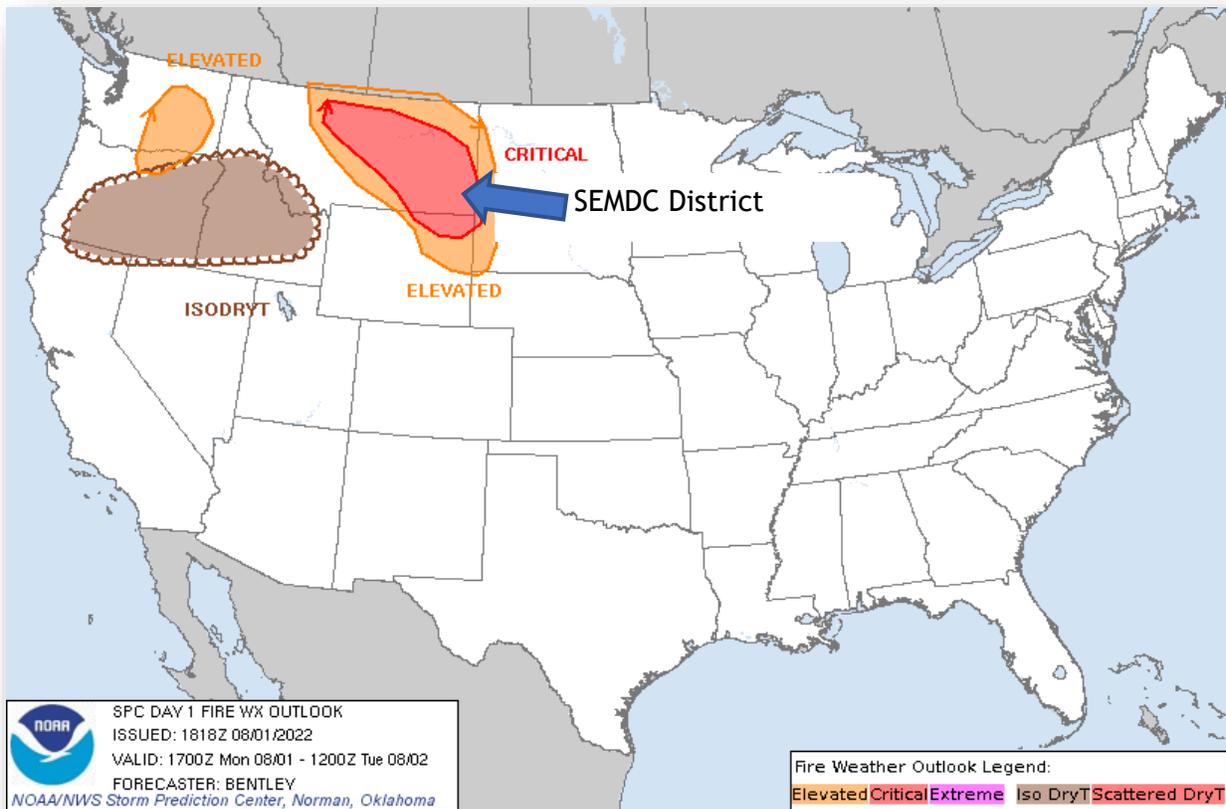
- 100% of Powder River County is experiencing abnormally high conditions, extreme drought
- 76% of Rosebud County is experiencing moderate drought
- 77.7% of Custer County is experiencing moderate drought conditions
- 99.2% of Treasure County is experiencing moderate drought conditions



Groundwater is an essential resource in Montana and will become more so as the state's population and industries continue to grow. Groundwater provides 94 percent of Montana's rural domestic-water supply and 39 percent of the public water supply. Every day approximately ninety million gallons of groundwater are used for irrigation, 16 million gallons to supply water for livestock, and 20 million gallons per day are used to support industry. The percentage is even higher in rural areas where most residents rely on groundwater as an economical source of drinking water.

On a national average:

- Eighty-one percent of community water systems are dependent on groundwater.
- Seventy-four percent of community water systems are small groundwater systems serving 3,300 people or less.
- Ninety-five percent of the approximately 200,000 non-community water systems serve schools and parks.
- are groundwater systems.
- Irrigation accounts for approximately 64% of national groundwater withdrawals.
- Public drinking water supplies account for approximately 19% of the Nation's total groundwater withdrawals.
- Domestic, commercial, livestock, industrial, mining, and thermoelectric withdrawals account for approximately 17% of national groundwater withdrawals.



Regional Clusters

Custer County Industry Cluster Descriptions

The largest industry cluster in Custer County by employment is Health Care and Social Assistance, followed by Retail Trade and Accommodation and Food Services. As indicated by the increase in the number of establishments, the fastest-growing industries were Construction, Arts, Entertainment and Recreation, and Wholesale Trade. Miles City is regarded as a regional retail and service hub. The sizeable aging population of eastern Montana is drawn to the community because of the health-related services, independent living options, progression of assisted living, skilled nursing care, and hospice. Such services are often unavailable in the surrounding communities – especially those related to housing options for the elderly. Miles City also serves as the headquarters for Stockman Bank, which has aggressively expanded by opening branches and service locations throughout Montana. Thus, employment in this sector has grown. Emerging industries surround construction-related businesses, tourism, and manufacturing. Recently, Miles City found itself uniquely positioned between the oil fields near Gillette, WY, and the Bakken reserve in North Dakota. Sanjel Energy Services, a Canadian company specializing in hydraulic fracturing and other oilfield services, closed its operation in Miles City in 2017 and relocated to Williston. Brawler Manufacturing laid off numerous employees, and BNSF has moved many employees to Forsyth, Glendive, and Laurel.

Additionally, local construction companies involved in road construction have strengthened through highway projects and other large equipment projects. This has created increased pressure on rental housing and moderately priced single-family homes. Another sizeable economic impact on Custer County is that of agriculture. In 2015, there were 424 operations. This makes agriculture the most significant industry by the number of establishments (if one considers each operation as one establishment). The market value of agricultural production was estimated in 2012 at \$109,201,000 (up from \$71M in 2007) or \$285,157 per farm and an average net cash income of \$44,610 per farm (NASS website, Ag Statistics, Economic Survey). According to the Bureau of Labor and Statistics information, this production value would not indicate that agriculture is the major contributor to the economy. Finance/Insurance and Health Care/Social Assistance would surpass Agriculture's gross receipts.

- **Major Clusters** – Agriculture, Health Care, and Social Assistance, Accommodation and Food Services, Finance and Insurance, Retail Trade, Professional and Technical Services, and Other Services
- **Growing Clusters** – Construction, Arts/Entertainment/Recreation, Wholesale Trade
- **Declining Clusters** – Social Assistance, Retail Trade (however, these continue to hold substantial employment numbers).

Rosebud County Industry Cluster Breakdown and Descriptions

The largest industry by several metrics in Rosebud County is agriculture. Farms reported in Rosebud County increased from 412 in 2002 to 451 in 2015. The market value of that agricultural production in 2012 was estimated at \$91,793,000 (up from \$57M in 2007) or \$209,930 per farm and an average net cash income of \$35,409 per farm (NASS website, Ag Statistics, Economic Survey). Even with the growth in agriculture, this county's most prominent industry by gross receipts is Utilities and Mining, supporting an employee base of approximately 750 persons. Other sectors were stable regarding several metrics. The highest percentage increase would be in Arts, Entertainment, and Recreation, with a rise of six companies over these 12 years.

- **Major Clusters** – Mining, Utilities, Agriculture, Retail Trade, Accommodation, and Food Services

- **Growing Clusters** – Agriculture, Utilities, Arts, Entertainment & Recreation, Accommodation/Food Services+

- **Declining Clusters** – Manufacturing, Finance and Insurance, Retail Trade

Powder River County Industry Cluster Descriptions and Breakdown

Agriculture is the largest industry by the number of establishments and by receipt in Powder River County. Construction and Retail Trade make up the following largest industries based on the number of establishments. While Agriculture and Construction experienced an increase in the number of establishments, retail trade experienced a slight decrease. The largest industry sector that saw the largest increase was construction while manufacturing experienced the most significant decline.

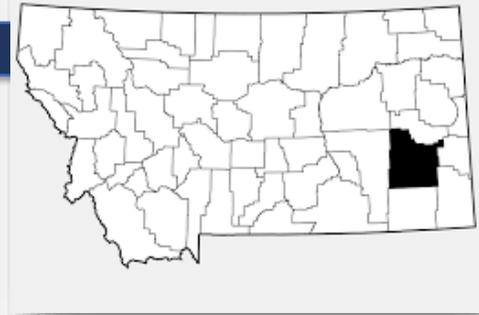
- **Major Clusters** – Agriculture, Retail Trade, Construction
- **Growing Clusters** – Agriculture, Construction, Other Services
- **Declining Clusters** – Manufacturing, Transportation and Warehousing, and Arts, Entertainment & Recreation

Community CEDS County Profiles

Custer County
Rosebud County
Northern Cheyenne Indian Reservation
Treasure County
Powder River County



Custer County



Custer County, Montana, encompasses 3,783.3 square miles of land area and is the 11th largest county in Montana by total area.

Miles City is the county seat of Custer County, the largest urban area in southeastern Montana, with a population of approximately 10,832 people that has remained almost constant for the past 50 years. Miles City serves as the Trade Center for an extended region running one hundred miles in all directions. Retail, services, and agriculture-based services comprise most firms with retail, accommodations, food services, healthcare, and social assistance. Miles City is a regional source for healthcare, banking, governmental services, transportation, financial, and legal services, and it provides educational services through Miles Community College. Cultural and recreational opportunities for the region, and Miles City has a growing retirement community.

The Miles City community has a vast historical heritage with roots that extend from the days of the furtraders and the exploration by Lewis and Clark through the military establishment at Fort Keogh, the Native American presence, riverboat traffic on the Yellowstone, and the rail head brought by the Northern Pacific Railway. Miles City was the destination for many cattle trail drives between Texas and the grasslands of the northern plains. Miles City has a historic district centered in the downtown commercial area and two historic residential districts. A strong community desire to preserve their heritage has led to the re-establishment of the Miles City Historic Preservation Commission, which pursues landmark preservation through education, financial assistance, and other activities.

Quick Facts:

Population 11,916	2020 Population Change 4.1%
Median Household Income \$54,891	Over the age of 65, 20.3%
Employment Rate 64.4%	Unemployment Rate 6.4%
Net Migration Rate 9.7%	Living Close to Emergency Services 34.2%
Adults w/ Mental Distress 15.2%	High School Graduation Rate - 92.0%
Total Employer Establishments 416	Access to Broadband 95.2%
Business Growth Rate 5.7%	Labor Force Participation 66.7%
Poverty Level 11.5%	Without Health Care, 9.5%



SEMDC Economic Impact Scoreboard

Custer County Economic Impact	Current Fiscal Year		2002- 2022
Jobs Created & Retained	4		290
New Business & Expansion	2		92
Grant Awards 2010 to Present	\$2,513,646		\$14,427,741
Loan Distributions 2010 to Present	\$375,000		\$2,136,950
Investment Project Funding	\$463,000		\$14,959,041
Total Economic Impact	\$3,351,646		\$31,523,732

Service and Infrastructure Needs

CCMC Flood Control Project – Levee is not Certified / Section 205 Funding Attained

North Montana & Industrial Park Sewer Upgrade

City CIP & Growth Policy – Update Outdated CIP & Growth Policy

County Growth Policy – Update Outdated Growth Policy

School Building Upgrades – Continual Maintenance and Capital Improvements Needed

City Fire Building – Condemned Portion of Building *Lack of Funding*

County Fire Building – Expand and Improve the Current Building

Tussler Bridge Repair – Significant Repair Needed

Establish Additional Affordable Housing / Workforce Housing

New Senior Center

MC Community College – New 15,00 sq ft Building

Improve Public Transit

Event Center – Adding Commercial Kitchen, Stage, Outdoor Lighting, Hanger Door, and Amphitheater

CEDS Community Recap

SWOT input and priorities from Custer County and Miles City.

Strengths

911 Dispatch Improvements

Ag Advancement Center

New Event Center

Wind Energy Development

Financial Hub / Banking Community

Improved Trail System and Signage

Oncology Service

Ortho Montana at HRH

Dialysis Care

New Programs Offered at MCCC

County Fire Department – New Building

Weakness

AG Economy Under Pressure

Bakken Traffic Decreasing

Coal Seam Fires

Lack of Low-Income Housing

Lack of Public Transportation

City Fire Station

Low Pay Base affecting recruitment

Lack of Workforce

Water / Sewer Lines 95% Capacity

Lack of Entertainment for Youth

Flood Insurance Costs

SWOT Community Input Project's

Childcare Center Added	Lack of Public / Commercial Air Service
New Police Station Acquired	Lack of Planned Industrial Growth City/County
Upgrade GIS / ArcGIS Business Recruitment	Broader Marketing / Branding Theme
Youth Hockey Improvements	Metra Sports Center / More Public Use
West End Development	More Youth Activities
Veterans Administration Building – Closing?	Lack of Downtown Parking
Need for Drug / Alcohol Rehabilitation Center	Doctor / Healthcare Recruitment Difficult
Lack of Mental Health Facilities	New EPA Water Quality Mandates
Promoting TIFD / Opportunity Zone / Historical District as Investment Opportunities	Lack of Rail Offloading

SEMDC – How We Help

Miles City Airport	\$275,000 Coal Board
Custer County Fire Hall	USDA, RD\$175,000 DOT \$800,000
Dead Man’s Road Bridge Replacement	EDA/ACC \$380,000 Custer County \$380,000
Miles City Depot Phase I	BSTF \$13,500
Miles City Depot Phase II	Brownfield \$26,000
Miles City Growth Plan	CDBG \$30,000
Custer County Growth Plan	CDBG \$37,500
Custer County Fire Hall	Coal Board \$200,000
One Health Milligan Building	MHPG \$650,000
City of Miles City N Montana Sewer	EDA \$3.92 Million
Custer County Senior Center	CDBG
City of Miles City Levee	<i>In progress</i>

Miles City

Water Treatment Plant – The water treatment plant was built in 1974 and had a design flow of 7.33 MGD (million gallons per day).

The primary source of water is the Yellowstone River. Maximum current flows are 4 MGD in the summer and an average of 1.5 MGD in winter. The water treatment process involves rapid flash mix, flocculation, coagulation, and sedimentation, with rapid sand filtration. Chlorine gas is added for disinfecting, and fluoride is added for dental protection. Three storage tanks with a total capacity of approximately 2,275,000 gallons are located around the city. They will provide 2-3 days of the reserve underwater use restrictions in an emergency.

Wastewater Treatment Plant – The wastewater treatment plant was built in 1980 with an average design flow of 1.98 million gallons per day and can manage peak flows of up to 3.77 million gallons per day. Current flows are between 1.2 and 1.3 million gallons per day. The plant is an extended aeration oxidation ditch with brush aerators that treat both domestic and industrial wastewater. Discharge is to the Yellowstone River. A significant upgrade to the headworks and solids handling and the addition of UV disinfection has recently been completed.

Wastewater Collection System – 16 lift stations make up the collection system. All but three are equipped with radio alarms in case of malfunction. Approximately fifty-seven miles of sewer lines serve 3,500 metered customers and 230 unmetered customers.

Solid Waste – Solid waste disposal is provided by a joint city-county solid waste district and landfill owned by the district. The district operates under contract with a private operator with residential and commercial collections.

Municipal Airport – Frank Wiley Field is located two miles north of the city on land owned by the town. A joint city-county commission operates the facilities. Fueling, mechanics, and other services are available. The airport has two runways over 5,600 feet long and one hundred feet wide, rated at 24,000 pounds and 38,000 pounds Single Wheel Gear. Visual and radio navigational aids and lighting are in place. A significant BLM wildfire base has recently been installed. It also serves as a regional medical flight hub. In 2016 the airport received \$2.5 million in funding to lengthen the runway and improve services. The airport offers the community access to primarily intrastate and “accommodate(s) small businesses, flight training, emergency service, charter passenger service, cargo operations, and personal flying activities.

Surface Transportation – Burlington Northern – Santa Fe Railroad with container service available upon request, services Miles City. Daily train service is provided along with ample rail sidings. Interstate 94 provides east/west bus and cargo services connecting Billings and Bismarck with three state highways giving access from the north and south. Numerous local and regional truck lines service the area, including livestock and crop hauling capabilities.

Telecommunications – Miles City is served by two phone companies, has good cellular coverage, and has available high-speed broadband telecommunications. Most cities have fiber optic cable, providing high-speed internet access, interactive video, DSL, and cable modem services. Miles City also houses one of the two Data Centers in the State of Montana. This enhances network capabilities and has the potential for private data storage.

Development Properties – Miles City has eighteen different zoning districts for residential, commercial, industrial, open space, agriculture, and airport hazard uses to serve the community's wide variety of development needs. A separate industrial site provides space for industrial uses. Water and sewer services are generally available throughout the development area.

Population - In 2020, Custer County had a population of 11,867. The county experienced a slight increase in people over the last two years. The declining youth population and rising senior population are causing various community pressures.

Economics and Business Trends

Agriculture - Crop and livestock production remains a strong economic driver in the county, with overall sales income increasing over the five-year period (actual payment is discussed above under cluster analysis). These numbers are, of course, dependent on weather and commodity markets; and are thus unpredictable. However, over time, total production levels remain stable. The fertile Yellowstone River valley provides excellent soil and ample water for irrigation in most years for secure productivity regardless of spring and summer precipitation. The rest of the county is subject to weather-related production on rangeland pastures and dryland fields but has consistently produced good crop and livestock yields over the years.

Miles Community College – Miles City is the home of Miles Community College (MCC), one of the three community colleges in Montana. MCC's programs address a broad spectrum of interests, from GED to professional-technical programs such as building construction, heavy equipment, auto technology, health information technology, agri-business, animal science, nursing (RN), and computer technology, including networking. These programs offer a one-year certificate or a two-year degree.

Miles Community College offers two-year transfer programs for those who want to go on and earn a four-year degree. Additionally, MCC provides customized programming for business and industry training, continuing and community education, and many other educational programs. MCC is also a leader in distance learning, and many of its programs are offered through outreach, online learning, and interactive television. Baccalaureate and advanced degrees can be completed through distance learning opportunities from Montana University Systems (MUS).

Public Facilities and Services

Miles City Medical Community – Miles City is home to the Holy Rosary Hospital, two primary medical clinics, and several elderly care facilities with differing levels of care, including retirement homes, assisted living, and skilled care nursing facilities. This is also a significant employment center. The physicians practicing locally represent many different medical specialties and are supplemented by visiting physicians from the Billings community. Air ambulances are available for critical patient handling.

Infrastructure and Services

Miles City has developed and maintained a solid infrastructure system over the years. Currently, growth is limited west of the city and to downtown business areas due to an undersized sewer force main under the Tongue River and a small sewer main downtown. The city is currently working to secure funding to correct these issues. It is in an excellent position to service additional growth in the residential and commercial sectors east of the city.

Miles City is in a floodplain creating high insurance costs and some development and infrastructure concerns. 79% of residences and businesses in Miles City are located within the natural floodplain or floodway at the confluence of the Yellowstone and Tongue Rivers. Over 80 percent of the city limits are within the 100- year floodplain. The current estimated cost of annual premiums for policyholders within Miles City pays approximately \$1.2 million per year for flood insurance premiums.

City/County Services – The local governments offer a full suite of public services, including Sherriff's Dept. (partnering with Miles City local officials), emergency responders (fire/ambulance/search and rescue), County Roads, Weeds, Extension, and other typical regional government offices.

Public Safety - The City of Miles City Dispatch Center has been moving forward to create a regional center for southeastern Montana. Southeastern Montana Dispatch, based in Custer County, now dispatches for The City of Miles City Police Department, Custer County Sheriff's Office, Prairie County, Garfield County and working to bring on the Glendive Police Department and Dawson County Sheriff's Office as a remote dispatch center for when call loads or events need extra assistance. Powder River County will be dispatched through Eastern Montana Dispatch starting January 2023. These smaller communities have no financial resources to create compliant NextGen 911 dispatch centers.

The increased need for space to add a dispatcher workstation, upgrades in technical equipment, and larger servers increases the need to maintain cyber security upgrades. A critical need is to hire a dispatcher, implement dispatcher training, and increase public education classes.

Miles City Fire Department's living quarters were condemned by the City Building Inspector in 2019, who was concerned the condition of the rafters would not support a heavy snow load. Firefighters had to relocate the living spaces to outside portables due to water-damaged rafters and leaks in the walls. With further review, the heavy equipment caused the floor to lower and shift, de-stabilizing the walls. JGA Architects completed a PAR and talks about grant funding and financing for a new station are being discussed.

Housing

Housing Stock and Characteristics – New home construction is experiencing a lack of supplies; the cost of goods and the workforce are slowing what could be a housing boom.

Though less recently, the demand for housing in Custer County has caused pressure on available accommodations and escalated prices on existing homes. This is especially difficult for lower-income homebuyers as there is little difference between the asking price for older homes versus newer ones. These trends are common throughout the SEMDC region.

Economy and Employment – Miles City relies upon service and retail economy like most “hub” communities. As referenced in the “Industry Cluster” section above, these service-related industries saw slight decreases in business establishments. However, they continue to hold high employment numbers and are considered major economic drivers within the county.

Construction, Arts/Entertainment/Recreation, and Wholesale Trade - All experienced growth in several establishments and employees. The number of agricultural operations increased, as did overall commodity receipts over the same period.

Income and Workforce - According to US Census 2021 numbers, unemployment was down in Custer County from 5.% in January 2021 to 1.9% in May 2022. Over the same period, the median household income increased from \$48,750 in 2015 to \$54,891 in 2020.

Ismay

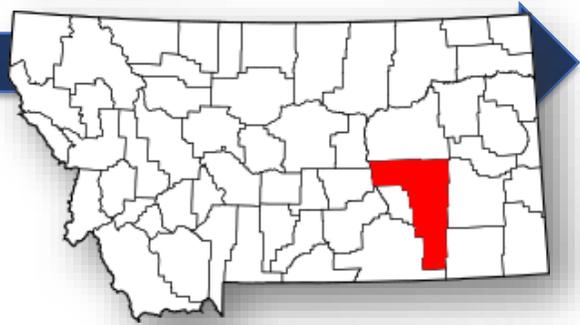
Once home to the Crow reservation, Ismay came to fruition in 1907 with the building of the inter-state Milwaukee Railroad. Unlike other Montana towns, it never had a thriving population. It is the least-populous incorporated municipality in the state of Montana. The population was 17 at the 2020 census, with 12 households.

The town's name is an amalgamation of Isabella and May, the daughters of Albert J Earling, division superintendent (later president) of the Chicago, Milwaukee and St. Paul Railway. As a publicity stunt coordinated by the Kansas City Chiefs in 1993, the town unofficially took the name of Joe, Montana, after the NFL quarterback Joe Montana. The median household income is \$56,539. The racial makeup of the town was 100.0% White.



“Site of Station Creek Station on the Bismark FT Keogh Trail. At various time periods trail was known as Sandstone-Terry, Bismark-FT Keogh, Army Trail 1873-1881. 1873 by civilian freighters and used until the building of the Northern-Pacific R.R, and Chicago Milwaukee and Puget Sound R.R. Reorganized as the Chicago Milwaukee and Pacific Railroad.”

Rosebud County



Rosebud County is 5,008.1 square miles of land and is the 26th largest county in Montana by total area. The largest county in the district and the third largest in the state. There are 8,628 people in the county, down from 10,505 in 1990. Industries include ranching, farming, rail transportation, surface coal mining, power generation, and retail business. Beef cattle production is the largest sector of animal agriculture in the county. Rosebud County has two incorporated cities, Forsyth, and Colstrip, and two small, incorporated communities of Ashland and Lame Deer. 55% of the Northern Cheyenne Reservation also lies within Rosebud County, making the county the most diverse in the region. The population density is 1.7 people per square mile. Patient to primary care physician is 1,510 to 1. From 2018 to 2019, Rosebud County's employment declined by -4.53%, from 6.46k employees to 6.17k employees. The most common job groups by the number of people living in Rosebud County, MT, are Office & Administrative Support Occupations (888 people), Management Occupations (747 people), and Sales & Related Occupations (695 people).

Rosebud county has the largest ethnic population in the district; Rosebud County's population is comprised of 32% Native American and 64% Caucasian. The population has declined slightly over the years, but the county is subject to big swings in the natural resource cycle of "Boom to Bust."

Quick Facts:

Population 8,124	2020 Population Change
Median Household Income \$57,769	Total Housing Units - 3,783
Employment Rate - 58.3%	Unemployment Rate - 5.8%
Net Migration Rate -1.3%	65 Years and Older - 8.9%
Adults w/ Mental Distress - 17.3%	High School Graduation Rate - 31.6%
Total Employer Establishments - 175	Access to Broadband - 61.7%
Business Growth Rate - 1. %	Labor Force Participation - 62.0%
Poverty Level 17.5%	Without Health Care, 12.9%

2020 US Census

EMDC Economic Impact Scoreboard

Rosebud County Economic Impact	Current Fiscal Year	2002- 2022
Jobs Created & Retained	5	216
New Business & Expansion	2	103
Grant Awards 2010 - present	\$6,961,809	\$12,143,829
Loan Distributions 2010 to Present	\$0.0	\$646,361
Investment Project Funding	\$220,000	\$9,497,373
Total Economic Impact	\$7,181,809	\$22,287,563

CEDS Community Recap

Strengths

Weakness

10-Year Government Water Agreement - Colstrip	Closure of Mine / Loss of Employment
Wind Farm Development Impact Funds	Lack of Childcare / Staffing
Outdoor Recreation	Hwy 212- Deadliest Road in Montana
Chief Dull Knife College, Additional Programs Added	Lack of Low-Income Housing
Law Enforcement Satellite Site - <i>Ashland</i>	Lack of Public Transportation
EMS/ Ambulance/First Responder Training - <i>Colstrip</i>	Heritage Center Facility Breakdown
Hospital & Medical Service - <i>Forsyth</i>	Flood Plain – Otter Creek & Tongue River
UV Sewer Treatment Installed - <i>Forsyth</i>	Lack of Workforce / Retention
Improved Sidewalks and Lighting – <i>Lame Deer</i>	Lack of Available Commercial / Retail Space
Designated Opportunity Zone – <i>Lame Deer</i>	

Service and Infrastructure Needs

Sludge Wastewater (PER) - Upgrade Wastewater Treatment Equipment	Daycare Site / Staffing
Middle School Feasibility Study – Building is Empty	Expand Tourism and Marketing - Emphasize Historical Sites and Recreation
SPED Program Needs Additional Resources to Address Special Needs	Water / Sewer – Lagoon Upgrade
Heritage Center - Water Pump Replacement, Kitchen Appliances, ADA Van, Fire System Upgrade	Fire Hydrants are Outdated and Need Repair
Improved Broadband and Internet - Tele Commuting / Telehealth	Treat of BNSF Railroad Changes
Recertification of Dike	St. Labre Need for Teachers
Front Street Remodel ~ Façade Improvements / DOT 5-year Plan	Lack of Community Center – Lame Deer
	Lack of Medical Service Center – Lame Deer

SWOT input and priorities from Rosebud County, the City of Forsyth, the City of Colstrip, communities of Ashland, Lame Deer, and the Northern Cheyenne Tribe.

SWOT Community Input Projects	What Can be Done for a Better Quality of Life
Improve Broadband / Internet	Big Sky Rail Authority
Business Innovation Center (BIC) - <i>Colstrip</i>	Promote Outdoor Recreation / Tourism
Community Daycare	Water Intake (PER) - <i>Forsyth</i>
Construct Travel Center – <i>Lame Deer</i>	Front Street Remodel - <i>Forsyth</i>
911 Tele-Communications – <i>Lame Deer</i>	Public Transportation Study - <i>Ashland</i>
Create a Tax Increment District - <i>Colstrip</i>	Water Senate Bill - 87 - <i>Colstrip</i>
Retraining Development Program	Promote New Market Tax Credits and
Energy /Utility/Reclamation Industries	Opportunity Zone – <i>Lame Deer</i>

SEMDC – How We Help

Rosebud County Court House	\$211,000
Rosebud County & Ashland	\$346,000 MTDOT
Rosebud County Road Improvements	\$6,800,000 ACC County \$1,4000.00
Broadband - Range Telephone	\$10,000,000 ARPA
Business Innovation Center	\$450,000 Coal Board / EDA
Colstrip Energy Park Study / Plan	\$50,000 EDA / \$50,000 CBDG
Colstrip School	\$747,500 DLA
Colstrip Land & Business Development Plan	\$25,000 USDA / RD
Rosebud County Ashland School	\$126,500 DLA
Ashland Public School	\$1,000,000 REDLG
Colstrip Business Recruitment Project	\$22,500

The most common employment sectors for those who live in Rosebud County, MT, are Educational Services, Mining, Quarrying, & Oil & Gas Extraction, and Health Care & Social Assistance. This chart shows the share breakdown of the primary industries for Rosebud County, MT residents.



Data from the Census Bureau [ACS 5-year](#)

Energy has been supportive and accountable concerning its safety and reclamation records. They currently use GPS systems to inventory the native grasses before mining activity. The topsoil is saved and re-applied to the site once mining is completed. The reclaimed site is then re-planted with the inventoried native grasses and vegetation to make it better than before. Western Energy also uses GIS systems to map the contour of the landscape before mining activity. Once again, the reclaimed site is formed to the original shape after mining activity. Over the years, many thousands of acres have been reclaimed and serve as productive grazing land. Recognition and awards have been given to the Rosebud Mine site for its accomplishments in reclamation.

Montana has the nation's largest coal reserves, around 30%. In 2020, Montana consumed about one-third of the coal mined in the state by the electric power sector. Half of Montana's coal production was sent to other states by rail to Minnesota, Michigan, and Washington, for electricity generation.

Most of Montana's coal production came from the five large surface mines in the Powder River Basin in the state's southeastern corner. The state's third-largest coal mine, the Rosebud surface mine, supplied all production to Montana's largest electricity generating station—the Colstrip coal-fired power plant is located next to the mine 90 miles east of Billings.

Due to environmental regulation of surface or “strip” mining, Western Energy has participated in land reclamation since the 1970s. It has reclaimed over 7,000 acres (2004) of mined land by replacing soil to approximate the original condition and use. The company has won numerous nationally recognized awards for its reclamation efforts. Montana Power had to maintain an environmentally sound area during and after the construction of the power plants. Emissions meet the 2000 federal Clean-Air Act standards, which is primary in maintaining the Class 1 air granted by the U.S. Environmental Protection Agency. Power is used in Montana and western states as far away as California and is on a power grid that reaches as far as New Mexico and Arizona.

Colstrip

The City of Colstrip is the largest incorporated city in Rosebud County, with a population of 2,052. The City was first established as a two-company town in the early 1920s. The nearby mine provided coal for steam locomotives for 34 years. In 1959, Montana Power Company purchased the Northern Pacific Railroad coal leases, mining equipment, and the town site to meet the needs of its projected coal-fired electrical power plants. Still primarily a power-generating and mining town, you will find the area uncharacteristic of the stereotypical strip-mining community; it has received nationally recognized awards for planning and city engineering and environmental awards for land reclamation. Quality of life is a big part of Colstrip as it boasts numerous parks, a 9-hole golf course, a lovely community center, a free-use gym, and a trail system that connects the entire community. Castle Rock Lake, a water source for the city and the power plants, is another benefit to the community as it is the direct result of responsible energy development.

Colstrip coal-fired power plant owners must show how the city of Colstrip will keep its drinking water supply if the plant ever shuts down.

Local businesses include a bank, credit union, hardware stores, two motels, a grocery store, casinos, a lumber yard, a post office, a library, restaurants, and convenience stores. These businesses are supported by income from the power plant and coal mine and the agricultural production in the surrounding Colstrip area, including the Northern Cheyenne Reservation.

Forsyth

The second incorporated city and the seat of Rosebud County is the **City of Forsyth**, population of 1591. Founded in 1880 on the shore of the Yellowstone River, Forsyth was officially named in 1882 when the Northern Pacific Railroad and post office were built. Nicknamed “the City of Trees,” Forsyth is the largest commercial district in Rosebud County, with a post office, two banks, several motels, numerous retail stores, restaurants, and services. The primary employers are the railroad, agriculture, government, the hospital and nursing home, school district, retail, and service businesses. Some residents travel 36 miles south to Colstrip to work at the coal mine or power plants.

The community is located along the Yellowstone River and surrounded by ranches and farms. Like much of the region, agricultural receipts heavily impact local business owners.

Unincorporated Communities

The Cheyenne Indian Reservation was created in 1884 and encompassed **Ashland**. In 1886 the post office was established, and the first schoolhouse was built in 1913. A flour mill dominated Ashland’s economy early on. However, by 1930 drought and insects destroyed the industry. The County currently provides all services to Ashland, including road maintenance, fire and ambulance protection, and a landfill facility for trash disposal. Ashland borders the Custer National Forest, which provides recreational opportunities. This small-unincorporated community supports an approximate population of 850.

Ashland is no longer a part of the Indian Reservation; Ashland serves as a commercial center for area ranchers and the Northern Cheyenne Indian Reservation. Agriculture remains a large part of the local economy. The retail community of Ashland has a small business district of a bank, a convenience store, a grocery store, a motel, a hardware store, an electric cooperative, a post office, auto repair, a bed and breakfast, and a large assisted living facility. Local schools and a Catholic Church-sponsored school, the St. Labre Mission, are the largest employers. The Ashland Ranger District for the Custer National Forest is located here. A sawmill, owned by the Northern Cheyenne Indian Tribe and leased to Fox Lumber, will provide residents with a decent number of jobs at the beginning of 2022; Earthwise Pet, Nutrition, and Wellness Spa will open their doors, as well as Warrior Grocery and Warrior Meat Company. Boots Spirits and Feed is under construction to serve as a country-themed bar.

Without any healthcare provided locally except for the clinic on the reservation and the Assisted Living Heritage Acres, community members worked with the County to acquire funding from Coal Tax proceeds to build a medical clinic. \$305,170 was granted for this project in June 1999.

Economics and Business Trends

Particularly given the uncertain future of coal and the large number of employees working in the energy sector. Most primary employers listed in the charts below are in incorporated communities. Thus, Forsyth and Colstrip have a more robust economic base than the much smaller towns of Ashland and Lame Deer.

Colstrip is only 25 miles north of Lame Deer and 45 miles away from Ashland, yet there are increasing disparities between the communities. Colstrip's high tax base helps support the school system and other services. Lame Deer, where the Northern Cheyenne Reservation's headquarters are housed, has a high poverty level. This town receives support from the Tribal Council, and government yet faces many economic challenges. It hosts a convenience store and a handful of other struggling businesses in its tiny downtown district. After being closed for many years, Ashland Forest Products reopened following the catastrophic 2012 wildfire season and has successfully salvaged much of the timber resources killed during that event. The mill maintains a large comparative workforce within the community; however, it is dependent on supply/demand fluctuations. Both towns are geographically isolated from any more significant hubs and service centers. Improving these disparities will require better communication and coordination among the communities, which SEMDC works hard to facilitate.

Infrastructure & Services

The County has two airports, one outside Forsyth and another at Colstrip. Both airports have small jet capacities but do not receive commercial flights. Other services provided throughout the county are county cemeteries, two library facilities, two senior centers, two museums, fairgrounds, road maintenance, landfill facilities, weed control, rural fire protection, and a sheriff's office. Forsyth and Colstrip have incorporated cities that provide their residents with road maintenance, water and sewer, animal control, and trash collection services. Forsyth also supports an indoor swimming pool. The city has contracted with the county for police protection, and the city and county support a volunteer fire department and ambulance service. A fully staffed hospital and nursing home with three physicians on staff and two medical clinics in Forsyth are available to serve all of Rosebud County. The County owns the hospital buildings and land. Operating revenues and private donations support all other expenses.

Currently, there are three private assisted living facilities in Ashland, Forsyth, and Colstrip. Assisted living facilities in 2019 averaged \$3,800 monthly; prices are expected to increase by 2030 to \$4,500 monthly.

The county has a planning board and enlists the assistance of a full-time planner. Rosebud County has a history of combining efforts with Treasure County. Recently combined efforts have been made to perform rural addressing projects to improve the 911 and emergency response services. The school system across the county is adequate and well-supported by residents. Managing student numbers is a constant struggle with a declining and aging population base.

Rosebud County, Montana, had a total of 1 institution of higher learning. There were 0 four-year colleges, one community college, and 0 institutions offering less than a two-year degree.

Colstrip needs to ensure it will have access to water rights and the conveyance infrastructure in the event the plant does close.

Natural Resources

The agricultural economy prominent in the county is dependent on nature and soil quality. The valley's irrigated farm producers depend on the high-quality water transported to the area by the Yellowstone River and used for irrigation. Power generation at the large Colstrip coal-fired plants also needs large amounts of water for the cooling process. Water is sent to Colstrip through two 30" pipes from the Yellowstone River over 30 miles away. Water quantity and quality are the most important economic factors impacting these two major industries in Rosebud County.

Energy Possibilities and Concerns

In January 2020, the early closure of the Colstrip Power Plant Units #1 and #2 caused the loss of 200 direct jobs. The proposed closing of Units #3 and #4 is scheduled for 2035. A regional effort culminated in the Coal Country Coalition, which outlines strategies that can be executed across a much more significant portion of the state to help address changes occurring in the global energy landscape. Summaries of these critical documents are included in the Appendices.

There is talk of expansion to increase the size of the 54-year-old Rosebud mine by 25%. The growth is expected to yield 70.8 million tons of recoverable coal and extend the mine's operational life by eight years. The Office of Surface Mining Reclamation and Enforcement violated the National Environmental Policy Act by failing to look at how expanding the Rosebud Mine, which Westmoreland Rosebud Mining, LLC operates, would impact water quantity and quality.

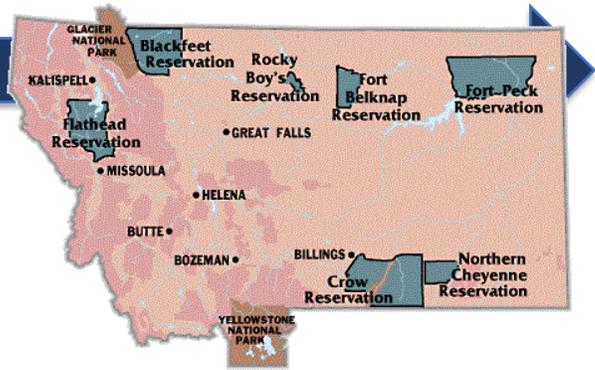
October 3, 2022, Billings District Court ruled against the expansion of the mine and gave the Interior Department 19 months to incorporate impacts and analysis to incorporate cumulative surface water, indirect effects associated with Yellowstone River withdrawals and to include economic costs of greenhouse gas emissions from the mine expansion and the economic benefits in the form of jobs and tax collections.

Rosebud County and the City of Colstrip are getting mixed signals as talks continue about closing the power plant by 2025. However, The Northern Plains Connector, a grid tie connecting the eastern and western power grids, is being discussed, connecting a leg to the grid to transmit produced power east of Colstrip into North Dakota. For now, Colstrip continues to churn out power. In the first three months of the year, federal statistics show the plant generated more than 3,000 gigawatt-hours of electricity — its highest first-quarter total since 2019.

Grid United, an independent transmission company, is developing the North Plains Connector. Grid United's mission is to modernize the United States electric grid to create a more resilient and efficient electric system that takes advantage of the nation's abundant and geographically dispersed natural resources. Grid United's team comprises energy professionals with experience developing, designing, permitting, and constructing large-scale linear infrastructure across North America. The North Plains Connector will be approximately 350 miles long, extending from an existing substation in Colstrip, Montana, to an existing substation in Center, North Dakota, and a new substation in Morton County, North Dakota.

Carbon Capture and a Modular Nuclear Study are some *Value Energy* variables being investigated to save the community of Colstrip and retain the economic structure of the community and support the community's financial system. Critical minerals are vital to manufacturing batteries, magnets, and other essential components for making electric vehicles (EV) and other clean energy technology. Coal communities and workers could be well-positioned to see new industrial jobs extracting critical materials from the waste left behind by coal mining and coal power plants in many areas.

Rosebud County – Northern Cheyenne Reservation



The Northern Cheyenne Tribe calls themselves "Tsis tsis'tas" (Tse-TSES-tas), which means "the beautiful people."

The Cheyenne Nation comprises ten bands spread all over the Great Plains, from southern Colorado to the Black Hills in South Dakota.

The Northern Cheyenne Indian Reservation is in present-day southeastern Montana and is approximately 444,000 acres in size with 99% tribal ownership. Eleven thousand seven hundred ninety-nine acres of Reservation land are dry farmed, and 1,794 are irrigated farmland. Sixty-two thousand acres of arable land could be used for potential future irrigation.

Lame Deer is within the Northern Cheyenne Indian Reservation. The Northern Cheyenne Reservation occupies land in both Rosebud and Big Horn Counties. After the Northern Cheyenne helped defeat General Armstrong Custer in 1876. The Northern Cheyenne Tribe was pursued by the army and detained in Oklahoma Indian Territory. On September 7, 1878, the Cheyenne escaped under the leadership of Dull Knife and Little Wolf to eventually return to the area. The 444,525-acre Reservation was established by executive order on November 26, 1884.

QUICK FACTS

Population 5,020	
Median Household Income \$37,188	Median Age - 25
Households Occupied - 82.0%	Number of Housing Units - 1,196
Over the Age of 65 in Poverty - 26.0%	Average Occupants Per Household - 4.2
Unemployment Rate 27.2%	Under the Age of 18 in Poverty - 32.0%
Access to Broadband 56.0%	High School Graduation Rate - 88.4%

Although the county provides road maintenance and landfill facilities to the community of Lame Deer, the Tribal Government and Bureau of Indian Affairs provide law enforcement, fire, and healthcare. Chief Dull Knife College is in Lame Deer, with elementary and high schools, a Post Office, a grocery store, convenience stores, a few restaurants, and a small business incubator. The Tribal offices, the Bureau of Indian Affairs, a Boys and Girls Club, and the Medical Center provide community services and employment. Poverty, crime, and substance abuse are critical problems in the community. Median Household Income has increased over the last five years from \$44,776 to \$51,159 and is higher than the state's \$47,169.

The only commercial center on the Reservation is in Lame Deer, lacking in all services. Commuting one hundred miles to purchase goods and services removes economic funds from the Reservation.

The Reservation contains significant coal resources (1.5 billion tons in the Knobloch formation), coal bed methane, oil, and gas resources on both trust and free land.

The Northern Cheyenne reservation recorded seventy-four wildfires in 2021, according to the Bureau of Indian Affairs. Currently, 239 coal seams are actively burning on the Reservation. Most seams are impossible to put out or predict when they will ignite a wildfire. A burning coal seam ignited the largest wildfire in Montana in the past four years, the Richard Spring fire in 2021. The wildfire burned more than 170,000 acres of land along the Tongue River and the edges of Lame Deer.

A growing concern for the Northern Cheyenne Nation is that it leads the state for people reported missing per capita. In August 2021, federal data showed seventeen missing Northern Cheyenne Tribal members. The lack of law enforcement officers and lack of a proper jail are causes for concern for public safety on the reservation.

The Northern Cheyenne Reservation continues the state of emergency declared by an Executive Order dated June 28, 2022, extending health restrictions through September 2022 related to Covid-19.

The Little Wolf Capitol Building, located in Lame Deer, Montana, is the Tribal headquarters. The Northern Cheyenne Indian Reservation is in both Rosebud and Bighorn Counties. The Northern Cheyenne Reservation has 12,266 enrolled tribal members, with 6,012 living on the reservation. Unlike most rural Montana communities, which are losing population, reservations such as Northern Cheyenne are experiencing an increase. According to tribal enrollment officials, nearly one-third (1,671) of the people residing on the reservation are below 18. At the same time, 13.5% are over the age of 65

Indian Health Service provides health care at the Northern Cheyenne Reservation. A modern ambulatory care facility in Southeastern Montana that offers outpatient and 24-hour urgent care to approximately 6300 enrolled patients. Outpatient and critical care, Optometry, Dental, Physical Therapy, and Behavioral Health are available while respecting the Native patients and embracing the native culture. A Healing Room for traditional ceremonies is available in the center.

840 American Indians in the Northern Cheyenne Community are Medicaid Expansion. Members can access health care services in Lame Deer at the Northern Cheyenne Indian Health Service Health Center, the Northern Cheyenne Board of Health, or at a provider of their choice.

In the Northern Cheyenne Community, Medicaid Expansion allowed for:

- 583 - American Indians to receive preventive services.
- 27 - American Indians to receive colonoscopies, and seven cases of colon cancer to be averted
- 20 - American Indian women to receive breast cancer screening.
- 7 - American Indians to be treated for diabetes, which will prevent many costly complications such as kidney failure and dialysis in the future.
- 164 - American Indian adults have received outpatient mental health services. 64 American Indian adults are now in treatment for substance use disorders.

Chief Dull Knife College offers Associate Degrees in Arts and Sciences and vocational programs. Among the curriculum are Cheyenne History, Cheyenne Language and Cheyenne Ethno-Botany.

Single Race Alone

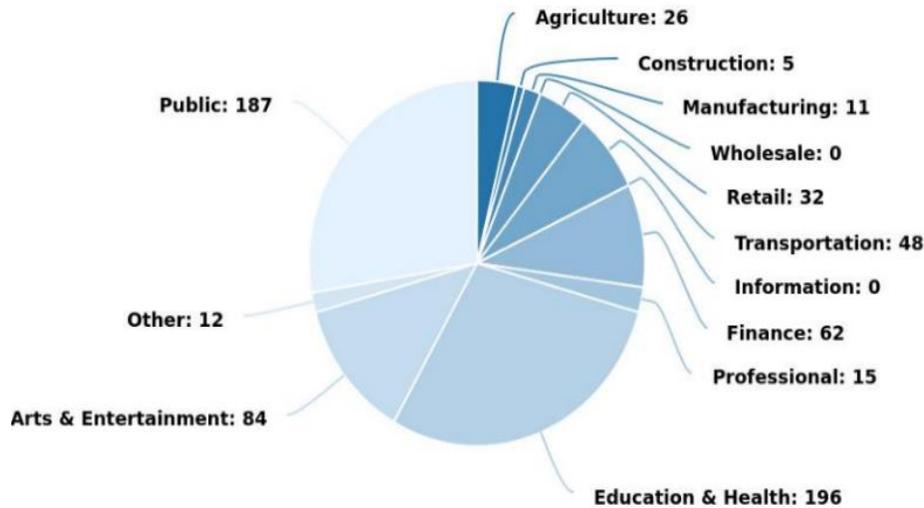
American Indian or Alaska Native: 4042(90.71%)
 Asian: 3 (0.07%)
 Black: 5 (0.11%)
 Native Hawaiian or Pacific Islander: 1(0.02%)
 Some other Race: 15 (0.34%)

Race alone or in combination

American Indian or Alaska Native: 4200(94.25%)
 Asian: 18 (0.40%)
 Black: 19 (0.43%)
 Native Hawaiian or Pacific Islander: 10(0.22%)
 Some Other Race: 24 (0.54%)
 White: 368 (8.26%)

Significant employers include St. Labre Indian School, the federal and tribal government, power companies, and construction companies. Farming, ranching, and small businesses contribute to the economy.

Lame Deer workforce from the American Community

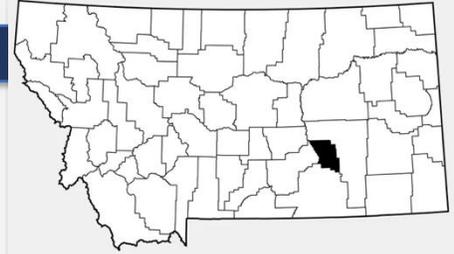


Native Americans make up less than 7% of Montana’s population but account for 30% of all missing persons. Missing Native Montana youth is 80%.

The Savanna’s Act, Not Invisible Act, and studying the Missing and Murdered Indian Crisis Act (MMIW) were introduced in 2019. The last bill providing a study by the Government Accountability Office (GAO) in response to MMIW passed out of the House under the Violence Against Women Reauthorization Act (HR1585). In addition, the House held a hearing on the crisis of MMIW. And, on May 5th, 2019, the White House issued a Presidential Proclamation recognizing May 5th, 2019, as the National Day of Awareness for Missing and Murdered Indigenous Women.

- *National Indigenous Women’s Resource Center*

Treasure County



Treasure County, Montana, is 977.8 square miles of land area and is the 53rd largest county in Montana by total area. According to the most recent US census data, the estimated population is 765, with a growth rate of 3.10% in the past year. Have an abundance of wildlife viewing, agate hunting, fishing, and recreational hunting for antelope, deer, geese, turkeys, grouse, ducks, and sage hens.

The only community of any size in the County is Hysham, population 275, located between the Yellowstone River and Interstate 94 and about halfway between Miles City and Billings. Surrounded by grain fields, pastureland, and rolling hills, Hysham was established as the county seat of Treasure County in 1919. The town is bordered north by the Yellowstone River and south by rolling hills. Hysham has about everything a visitor could need. This agricultural community spreads out in a panorama of green fields, pastureland, and grain strips.

Quick Facts:

Population 768	2020 Population Change 9.5%
Median Household Income \$44,671	Net Migration Rate -10.8%
Homes in Flood Zone 8.5%	Total Employer Establishments 14
Households Earnings Over \$1,000K – 14.1%	Households Earning Less \$15,000K – 12.9%
Over the Age 65 - 30.1%	Adults with Mental Distress 15.8%
Employment Rate 57.6%	Unemployment Rate 3.5%
Access to Broadband 83.2%	Poverty Level 11.1%
Work Hours Needed for Affordable Housing 32.5	Population w/o Health Ins. 10.4%

SEMDC Economic Impact Scoreboard

Custer County Economic Impact	The year 2014 - 2011
Jobs Created and Retained	3
New Business & Expansion	2
Grant Awards 2010 to Present	\$466,606
Loan Distributions 2010 to Present	\$0.0
Investment Project Funding	\$0.0
Total Economic Impact	\$466,606

CEDS Community Recap

SWOT input and priorities for Treasure County and the City of Hysham

Strengths	Weakness
Railroad Spur & 2 New Sidings	Limited Housing
Highway 311 Improvements	Gendered Work
New Water Tower and Hydrant Upgrades	Lack of Services with Small Population
Beautiful Historic Buildings	Lack of Highway Signage
Doctor Visits Once a Week	Lack of Senior Housing / Services
Locally Owned Business	No Public Transportation
Paved Runway at the Airport	West Frontage Road
Electrical Co-op	Lack of Agricultural Workforce
Available Land for Expansion / Development	Obtaining and Reattaining Teachers
Expansion of Fiber Optics	Lack of Skilled Trade Available
Oil Activity	Fire Hall

Service and Infrastructure Needs

Wastewater Improvements - Funding Needed for Improvements
Horse Creek Bridge
Fire Hall - (PAR/PER) Needed
Senior Program Director Needed to Pursue Transportation Program
Main Street Revitalization

The most common employment sectors for those who live in Treasure County, MT, are Agriculture, Forestry, Fishing & Hunting), Health Care & Social Assistance, and Educational Services.

SWOT Community Input Projects	What Can be Done for a Better Quality of Life
Public Transportation	Grocery / Pharmacy
Lowering the High Cost of City Services	Initiative-taking Planning / Zoning
Public Rest Rooms	Connectivity / Remote Work
School Enrollment Down Retain Families	Street Condition
Affordable Housing	Diversify Agriculture
	Capitalize on Natural Resources
	Marketing of Community

SEMDC – How We Help

Hysham Water Sewer Project	\$950,000,000 State / \$684,000 ARPA
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Treasure County has some beautiful historical sites. Manuel Lisa built the first building, a fur trading post in Montana near the mouth of the Bighorn River, in 1807. Fort Cass was the first fort built by the American Fur Company on the Yellowstone, just three miles below the mouth of the Bighorn. Fort Pease

was a stockade constructed in 1875, near the mouth of the Bighorn, as a defense against a party of Sioux Indians and as a trading post. Remnants of Fort Pease still stand on the original site.

Treasure County has a museum on Hysham's main street. Tales of Treasure County, a history of the people and events of the area, is available for sale in the museum. Across from the museum is the historic Yucca Theater. A concrete sculpture of a white buffalo is an item of historical and artistic interest that stands as a sentinel in front of the theater.

Conclusive evidence that palm trees and duckbill dinosaurs (edmontosaurus) existed at the same time was discovered several miles west of Hysham in 1994. The fossils are in the Museum of the Rockies in Bozeman, Montana, to be studied.

Unemployment and Income

Unemployment is low at 4.2% and comparable to the state's rate of 4.1%, as the poverty level is 12%. Median Household Income has increased over the last five years from \$37,969 to \$41,103, but still much lower than the state's level of \$47,169.

Economics and Business Trends

Treasure County industries are farming and ranching. The local economy is highly dependent on commodity prices and weather – both circumstances are much out of the control of any individual.

Crops include sugar beets, corn, wheat, barley, and beans. The small business district has two restaurants, a hardware store, a bank, a few service businesses, and two convenience stores. There is a vet clinic, farm implementation dealer, and ag business in town.

Natural Resources

With the significant industries in agriculture, the predominant environmental issues are weather and soil quality. The Yellowstone River is used for irrigation, and its water quality and flow are critical issues for this county. Weed control is a necessity to protect grazing land for ranching.

Infrastructure & Services

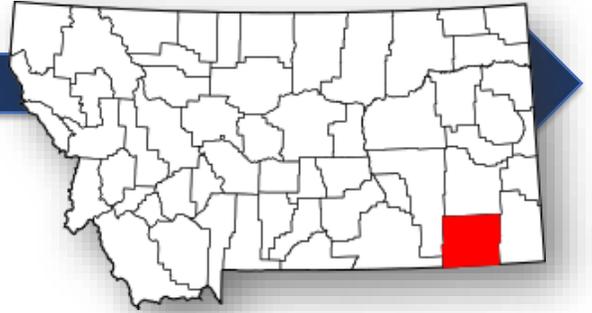
Services provided throughout the county are law enforcement and fire protection, a county cemetery, a community center/senior center, a swimming pool, road maintenance, landfill facilities, and weed control. The Town of Hysham contracts with the county for law enforcement, and the Town and County share equipment and cooperate extensively on projects. The community also has a health board and works hard to maintain a health clinic with visiting doctors. Treasure County has a history of working cooperatively with Rosebud County to provide additional services.

Opinions expressed in Community meetings show dissatisfaction with roads. Many of the streets in the Town of Hysham, as well as in rural areas, are gravel. Limited funding is the main reason. Otherwise, residents are satisfied with services and proud of the quality of life in their community.

Hysham recently replaced much of its water infrastructure, leaving residents with extremely high rates to pay off the debt.

The only public schools in Treasure County are in Hysham. Though enrollment numbers are low, there is strong support for the local schools; it is challenging to maintain a feasible operating staff and budget.

Powder River County



Powder River County, Montana, has 3,298.2 square miles of land area and is the 16th largest county in Montana by total area. One of the least densely populated areas in the State. Privately owned land comprises 1,368,309, US Forest Land covers 340,381, BLM 257,005, State Trust Land 143,472, and water 558 acres.

The number of Farms in Powder River County is 325; the average farm size is 5,005 acres. Farming and ranching are excellent occupations for 641 producers; the average age is 57 1/2. 68% of the farms are over ten years in production, and 22% are less than ten years of production. More than 60% of the farms in the county are more than 1,000 acres. The county ranks sixth in Montana for the number of cattle, around 88,000, and seventh in the number of sheep, at 8,800 head. The county has 30 sheep or cattle per square mile versus 0.5 people per square mile.

Quick Facts:

Population 1,682	
Median Household Income \$57,755	Total Housing Units – 972
Employment Rate – 1.1% above 2021	Unemployment Rate – 3.4%
Adults w/ Mental Distress – 15.3%	Living Close to Emergency Services - 70%
Total Employer Establishments - 71	High School Graduation Rate – 80%
Poverty Level - 12.8%	Access to Broadband - 71%
Owner-Occupied Housing – 74.6%	Without Health Care Insurance - 13.0%

SEMDC Economic Impact Scoreboard

Powder River County Economic Impact	Current Fiscal Year	2002- 2022
Jobs Created & Retained	2	2
New Business & Expansion	2	26
Grant Awards 2010 - present	\$365,740	\$19,238,789
Loan Distributions 2010 to Present	\$0.0	\$661,310
Investment Project Funding	\$90,000	\$2,458,401
Total Economic Impact	\$455,740	\$22,358,500

SWOT input and priorities for Powder River County

Strengths

Major Wastewater Upgrades in Progress
 Lagoon System Upgrade
 Public Transportation
 New Businesses / Younger Owners
 Community Integrated Health Care Program
 Floodplain Remapping Complete
 Quality of School and Staff
 Belle Creek Oil Field
 Fitness Trail System
 Crossroads to Hwy 59 & 212
 Bridge Repair

Weakness

Aging Infrastructure
 Broadband Capacity / Cell Service Limited
 Lack of Eating Establishments / Help
 Cost of Housing / Rental Increasing
 Highway Signage
 Retention of Skilled Workers
 No Independent Living for the Elderly
 School Population Decreasing
 Lack of Emergency Equipment and Services
 High Substance Abuse
 Small Pool for Labor Force

SWOT Community Input Projects

Mental Health and Addiction Service
 Acquire a 4-Wheel Drive Ambulance
 Health Care Upgrades to Nursing Home
 Broadband / Internet Connectivity
 Feasibility Study -Emergency Service, Critical Care, Clinic, Physical Therapy Center
 Purchase Generator for Water System
 Purchase Hydro-Vac Trailer

What Can be Done for a Better Quality of Life

Improve Trail Program and Crosswalks
 Golf Course Trails need to be Repaved
 Further Development of Pre-School Program
 ADA & Elevator to Public Health Building
 Update & Add New Event Building for Fairgrounds
 High School add an Athletic Building
 Pain Water Storage Tower

Service and Infrastructure Needs

Next Gen 911 - To Become Compliant with Next Gen 911
 Lagoon / Water System Upgrades - Repair to Remain compliant
 Storage Structure for Emergency Vehicles - Build New Storage Structure
 Ranch Creek Road - FLAP Grant to Assist in upgrades for Ranch Creek Road
 Bridge Disaster Project - Moorhead Bridge, Horse Creek Bridge, Little Pilgrim Creek Crossing - Upgrade and Repair

SEMDC – How We Help

Powder River - Disaster & Recovery Project	\$250,000 DLA \$7,000,000 EDA
Broadus/ Powder River	\$200,000
Broadus Sewer Water System	\$750,000 DLA
Broadus School	

The most common employment sectors for those living in Powder River County, MT, are agriculture, forestry, fishing & hunting, educational Services, g, and oil & gas extraction.

From 2018 to 2019, employment in Powder River County, MT, declined by -9.12% , from 965 employees to 877 employees.



Data portal.mt.gov

Population

Powder River County is like other counties in the district as the population comprises 94% Caucasian. This agriculture-based county is also experiencing a decline in the younger population.

Natural Resources

Powder River is a county rich in natural resources. Coal, oil, coal bed methane gas, and prairies filled with high protein grass and a variety of wildlife species make this county a hotbed for development controversy and a candidate for product export. Recent years have seen some more substantial interest in oil exploration and drilling. The primary limiting factor to this export is the controversial atmosphere surrounding natural resource extraction. The railroad would have to be built to transport the coal out of the region threatens private property rights. Water quality is a concern.

With few businesses across the county besides agricultural operations, it can take time to establish trends over time. Construction business activity has increased from 1 company in 2003 to 17 in 2015. Manufacturing decreased from 12 to 2 over the same period.

Local government is a significant source of employment, supplying over half of the local jobs beyond the Broadus business community. Currently, the average annual wage per job in Powder River County continues to be one of the lowest in Montana. With agriculture being the primary source of income, wage earnings are a poor reflection of individual earnings since many of these operators are self-employed and need to report income in the form of wages.

Plans have been developed to construct a new carbon dioxide pipeline for the aging Powder River Basin oil fields. The Belle Creek oil field is in this region. The injection of carbon dioxide is estimated to increase oil production by as much as 30 million barrels that otherwise could not be produced. A third natural resource is coal bed methane. This resource has yet to be actively pursued in the State of Montana, like in Wyoming. While it is a viable natural resource to extract and market, it is doubtful that it will happen soon in Powder River County on a wide-scale basis.

Powder River County also has large tracts of US Forest Service, and Bureau of Land Management managed properties. Livestock grazing and, to a lesser extent, energy development occur on these federal holdings. Thus, many of the county's agricultural operations and associated businesses are affected by policy changes over which they have little control.

Infrastructure & Public Services

During the 1970s, Powder River County experienced an oil boom. During this period, improvements to the high school, a multi-purpose fair barn building, a nursing home, and the courthouse were all constructed. With the drop in crude oil prices in the 1980s, oil production decreased dramatically, and the county experienced a population decline. The high county taxable value in 1979 of \$80 million has dropped by 95% to its current value of just over \$4 million. From 2000 to 2004, the taxable value dropped by over 20%. This declining tax revenue trend continues through the present, though at a slower rate. The county government strains to supply services and support infrastructure built during the boom.

Some areas of the Broadus sewer system are over 40 years old and need repair or replacement. However, limited resources and tax revenue has hindered other solutions to the problem. Basic infrastructure repair and maintenance is a significant challenge for this county.

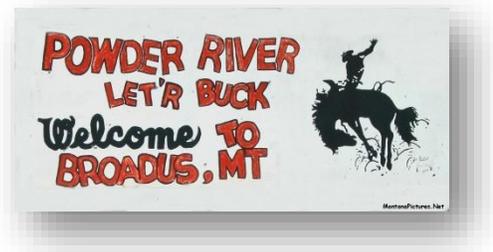
Additional needs include numerous sites registered on the Leaking Underground Storage Tanks (LUST) register. Business owners cannot sell these sites; many are in prime retail locations.

A new landfill was constructed between 2005 and 2010. Additionally, the airport relocated to a new site two miles from town. While the airport is missing essential services, such as a Fixed Base Operator, a hangar for airplane storage/repair, and a protective wildlife fence, it offers onsite fueling.

Services provided throughout the county are law enforcement and fire protection, a medical clinic and nursing home, a park with basketball courts, a community center, a senior center, a pool, a ballpark, a golf course, a county cemetery, a library facility and road maintenance, landfill facilities, and weed control. A Physician’s Assistant, a Registered Nurse, and a technician staff the county-supported medical clinic, with a County Health Nurse located in the basement. The Powder River Manor is a county-owned nursing home with 39 beds. The Town of Broadus provides trash pick-up for residents and has some mandatory recycling to reduce this service’s expenses. In addition to the Powder River County Sheriff’s Department, the Town of Broadus has one law enforcement officer. The Town and County share equipment and cooperate extensively on projects. Fire protection services are on a volunteer basis. The only secondary public school in Powder River County is in Broadus, with several small rural primary schools still operating.

Broadus

The Town of Broadus claims 467 residents. Jobs in town are mostly government employment, the largest private employer being the local grocery store. There are many small business owners’ businesses, including farms and ranches. The business community is service and retail oriented and depends on the surrounding agricultural base. Broadus is the only commercial center of any size in the county. Broadus contains a small bustling business district with several restaurants, a grocery store, and a handful of retail stores.



The county’s economy is primarily dependent on agriculture. Cattle and dryland hay are the primary commodities that will continue into the near future. Powder River County has followed the national trend of farms and ranches becoming more extensive, which leaves fewer people available to support these areas’ businesses.

Recent shortages in the workforce have closed a local restaurant, closing of a clothing store will soon, the local grocery store has reduced hours, and the nursing home is struggling to maintain employees to remain open to offer care.



Data portal.mt.gov



Appendices:

1. Disaster and Economic Recovery and Resiliency Strategy

2. 2022 Infrastructure Needs List

3. 2022 Community CEDS Meeting Recaps

- ❖ Colstrip
- ❖ Ashland
- ❖ Broadus
- ❖ Forsyth
- ❖ Lane Deer
- ❖ Miles City
- ❖ Hysham

4. Regional Scoreboard Recap

- ❖ 2022 SEMDC Scoreboards
- ❖ Custer County
- ❖ Powder River County
- ❖ Rosebud County
- ❖ Treasure County

5. Colstrip Economic Diversification Strategy



Disaster and Economic Recovery & Resiliency Strategy

2022 Revision

Custer County Powder River County Rosebud County Treasure County

Southeastern Montana Development Corporation

Colstrip, Montana



Growing Montana ~ One Job At A Time



Southeastern Montana Development Corporation

Colstrip, Montana

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Introduction

In the event of a disaster, the Southeastern Montana Development Corporation (SEMDC), in conjunction with its regional partners, is prepared to facilitate planning and recovery efforts as outlined in the following strategy document. However, this brief strategy is in no way intended to undermine or replace existing federal, state, or local disaster plans. This document establishes the District's role in pre- and post-disaster planning and recovery.

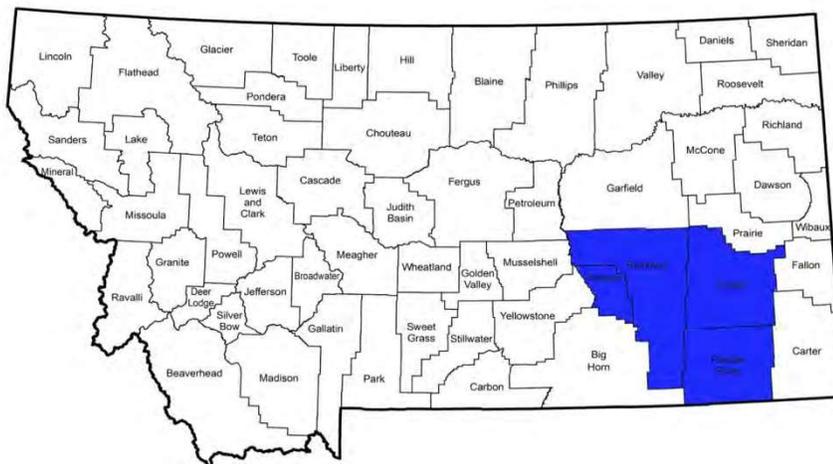
Collaborating with guidelines established in America's National Preparedness Goal (NPG), Montana Emergency Response Framework (MERF) and local community Disaster and Emergency Services (DES), SEMDC helps provide community awareness and preparedness if an emergency or disaster occurs.

What are the components of disaster resilience? Capacity building, disaster risk reduction and disaster risk management are all components of developing and enhancing resilience.

Montana Code Annotated (MCA) 10-3-103 defines the following:

(3) "Disaster" means the occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property resulting from any natural or artificial cause, including tornadoes, windstorms, snowstorms, wind-driven water, high water, floods, wave action, earthquakes, landslides, mudslides, volcanic activity, fires, explosions, air or water contamination requiring emergency action to avert danger or damage, blight, droughts, infestations, riots, sabotage, hostile military or paramilitary action, disruption of state services, accidents involving radiation byproducts or other hazardous materials, the outbreak of disease, bioterrorism, or incidents involving weapons of mass destruction.

(7) "Emergency" means the imminent threat of a disaster causing immediate peril to life or property that timely action can avert or minimize.



Southeastern Montana Development Corporation represents four counties Custer, Powder River, Rosebud, and Treasure, covering 13,280 square miles.

Communities Pre-Disaster Preparedness

SEMDC supports and encourages its communities to:

- Engage in pre-disaster mitigation recovery and post-disaster planning
- Regularly assess the community's risks and vulnerabilities
- Inventory and organize the community's recovery resources
- Engage in business continuity planning
- Ensure resources are available for the elderly and those with special needs
- Identify shelters
- Identify recovery partners, as well as the type of assistance and resources they can provide
- Establish a timeline for recovery activities (immediate, short-term, intermediate, and long-term)
- Develop and disseminate a community evacuation plan
- Establish a communication chain
- Engage the community's residents in the planning and recovery process

Regional Risks and Vulnerabilities

The region is vulnerable to a wide variety of disasters including, but not limited to, fires, flooding, dam failure, extended drought, extreme heat, freeze events and extreme cold, earthquakes, hazardous materials, landslides, tornadoes, vector-borne diseases, volcanic fallout, violence, and terrorism.

Mitigation and Recovery: SEMDC Regional Challenges

- Small population dispersed over a large area
- Lack of comprehensive services
- Isolation/lack of access
- Limited options for transmitting information
- Possibility for widespread interruption of services
- High percentage of the stationary, at-risk population (elderly)
- Lack of economic diversity, loss of "one" may mean loss of "all."
- Limited transit options
- Limited incomes
- Few liquid assets, a significant amount of money tied up in land and equipment
- Vulnerable infrastructure, including historic sites and structures
- Heavy reliance on imported materials and food
- Lack of Broadband connectivity in large portions of the region
- Areas lacking cell phone coverage

Mitigation and Recovery Planning

Without being prepared for the complexity of redevelopment in a compressed timeframe following a major disaster, local officials may struggle with recovery decisions and miss opportunities for public participation in reshaping the community's future. To become disaster-resilient, local governments should plan for what must happen after rescue and recovery operations are completed to return the community to normal or perhaps rebuild an even better community. Through a Post-Disaster Redevelopment Plan (PDRP or Plan), local governments can collaboratively create a long-term recovery and redevelopment strategy in pursuit of a sustainable community.

Plans identify policies, operational strategies, as well as roles and responsibilities for implementation that will guide decisions affecting long-term recovery and redevelopment of the community after a disaster. They emphasize seizing opportunities for hazard mitigation and community improvement consistent with the goals of local and regional comprehensive plans, with full participation from the area's citizens.

Three (3) Principal Benefits of a Well-Developed Plan:

1) Faster and Efficient Recovery

Without a comprehensive, long-term recovery plan, ad hoc efforts in the aftermath of a significant disaster will delay the return of community stability. Creating a process to make intelligent post-disaster decisions and prepare for long-term recovery requirements enables a community to do more than react, prompting post-disaster action rather than time-consuming debate. By identifying appropriate planning mechanisms, financial assistance, and agency roles and responsibilities beforehand, a community begins the road to recovery more quickly. Being able to show the efficient and effective use of taxpayer dollars after a disaster is incredibly important for the public's perception of the recovery.

2) Opportunity to Build Back Better

A disaster, while tragic, can also create opportunities to fix past mistakes or leap forward with plans for community improvements. In the immediate aftermath of a disaster, local officials are under significant pressure to restore the community to its pre-disaster condition. Short-term decisions may inadvertently restrict long-term, sustainable redevelopment without a guiding vision and overlook opportunities to surpass the status quo.

A Post-Disaster Redevelopment Plan (PDRP) strengthens the recovery process, and communities benefit from assessing their risk levels and crafting a long-term redevelopment plan under "blue skies." Local officials and the public can thoughtfully analyze and debate issues, linking redevelopment goals with other essential community plans, such as Growth Policies and Capital Improvement Plans.

The PDRP has an implementation role in both the pre-disaster and post-disaster phases. Still, all PDRP implementation activities intend to improve the community's long-term recovery and redevelopment ability.

Pre-Disaster Phase – The PDRP prepares a community for a more rapid and sustainable recovery and is best developed before a disaster occurs. Preparatory activities detailed in the plan should be implemented during normal operations, sometimes called "blue skies."

The PDRP should also be exercised before a disaster event so that all stakeholders with a post-disaster implementation role are familiar with their responsibilities.

Short-Term Recovery Phase – The PDRP has a role during the short-term recovery phase to begin organizing long-term redevelopment activities and guiding short-term recovery decisions that may have long-term implications. (e.g., placement of temporary housing) The short-term recovery phase will start as the response phase winds down and will continue until critical services are restored. The length of time for this phase will depend on the severity of the disaster and the community's level of preparedness.

3) Local Control over Recovery

Developing a PDRP allows local government officials, residents, and businesses to determine long-term redevelopment goals and develop policies and procedures that guide redevelopment before well-intended outside agencies and non-government organizations rush to aid the community. While external resources are needed and welcomed in a significant or catastrophic disaster, a locally developed Plan will best channel those resources to meet the community's specific needs and goals. A Post-Disaster Redevelopment Plan will show outside agencies and donors that the community is prepared to play an active role in the recovery process and promote its capabilities to use donated and loaned resources wisely. There will always be rules and, occasionally, strings attached to external funding sources, but a community that has researched the allowable uses of federal and state assistance can better work within its boundaries to fund projects that further local and regional redevelopment goals.

Can a Disaster Provide Opportunity to Advance a Community's Vision?

All the SEMDC service region communities have participated in this comprehensive planning process. A PDRP can identify disaster scenarios in which opportunities may be present to advance already-stated visions for these communities in a compressed timeframe.

Opportunities to Consider During Post-Disaster Redevelopment

- Disaster-resilient land use patterns
- Hazard mitigation construction techniques
- Energy-efficient buildings
- Healthy community design
- Affordable or workforce housing
- Alternative transportation networks
- Environmental preservation and habitat restoration
- Sustainable industry recruitment

Tornadoes, wildfires, floods, coal seam fires and other disasters do not confine themselves to jurisdictional boundaries. Displaced residents, compromised infrastructure, changes in economic conditions, hazardous materials contamination, and degradation of sensitive environments are some of the impacts that can affect an entire region after a major disaster. When recovery is slow, neighboring communities also experience these impacts for an extended period.

A PDRP is designed to be used in any disaster, regardless of type, if the damage will require long-term redevelopment efforts. It is an all-hazards plan addressing disasters identified in each county's Local Mitigation Strategy (LMS) and each community's Emergency Operations Plan (EOP).

As an economic development organization serving Custer, Powder River, Rosebud, and Treasure Counties, SEMDC will respond accordingly, utilizing the resources and information outlined in the region's CEDS document. Therefore, counties are encouraged to incorporate PDRP strategies into their disaster planning documents.

Disaster Phases and Redevelopment

Disaster management is typically viewed in four cycles with overlapping phases:

1) **Pre-Disaster Phase** – Mitigation and recovery planning occurs during the pre-disaster phase (unless a disaster strikes a community before planning is complete). Once a mitigation and recovery plan is adopted, preparatory activities should be implemented on an ongoing basis during normal operations, sometimes called “blue skies.” Strategies should be tested before a disaster event so that all stakeholders with a post-disaster implementation role are familiar with their responsibilities.

2) **Emergency Response Phase** – Emergency response activities are addressed explicitly in a municipality’s Emergency Response EOP and include immediate actions to save lives, protect property, and meet basic human needs. This is the shortest phase of the cycle, lasting only a few days in minor disaster conditions.

3) **Short-Term Recovery Phase** – The role of any plan during the short-term recovery phase is to begin organizing long-term redevelopment activities and guiding short-term recovery decisions that may have long-term implications (e.g., placement of temporary housing or debris sites). Short-term recovery operations are addressed in EOPs, but a recovery plan can provide direction for transitioning to long-term redevelopment during this phase. The short-term recovery phase begins as the emergency response phase is winding down and will continue until critical services are restored.

The short-term recovery phase's duration depends on the disaster's severity and the level of community preparedness.

4) **Long-Term Recovery and Redevelopment Phase** – A recovery plan is used most during this phase. Long-term recovery and redevelopment include efforts to reconstruct and enhance the built environment and recover the economy, environment, and social systems. This phase begins as short-term recovery activities are accomplished and can last from a few years for a minor disaster to five or more years for a significant or catastrophic disaster.

Interaction with Other Plans

The objective of this “Disaster and Economic Recovery and Resiliency Strategy” is to guide the redevelopment decision-making process following a disaster in a manner consistent with local comprehensive plans (especially Future Land Use maps, where applicable), Local Mitigation Strategies, Emergency Operation Plans, and other relevant plans or codes such as land development regulations. Each of these plans, potentially others, has preexisting policies or procedures that affect post-disaster redevelopment. For instance, local comprehensive plans include many policies that determine where and to what extent redevelopment can occur. Ultimately, SEMDC will help its counties and communities access the information and resources necessary for making post-disaster redevelopment decisions.

- *Disaster and economic recovery and resiliency strategy
- *Local disaster, emergency, and recovery strategies mitigation efforts
- *Local and regional comprehensive plan

SEMDC Region: Disaster and Emergency Services (DES) Contact Information:

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Post-Disaster Planning and Implementation

Disaster Assessment

In the days and weeks following a disaster, SEMDC will be available to assist counties and communities in the following:

- Assess the disaster's nature and magnitude of the disaster
- Assess the impact on local and regional economies (business, industry sectors, labor market, etc.)
- Assess the impact on transportation and public infrastructure
- Assess the impact on housing, schools, and healthcare facilities

Develop and Implement Recovery Timeline

Based on the results of the disaster assessment, SEMDC will help regional partners and community leaders move forward with the following:

- Listing and prioritizing recovery activities to be performed
- Identifying resources (federal, state, local, and private sector) needed for each activity
- Determining the level and type of assistance needed

- Identifying roles and responsibilities
- Determining the timeframe for each recovery activity (immediate, short-term, intermediate, or long-term)
- Establishing recovery benchmarks

Implementing the Recovery Plan (long-term recovery) to accomplish recovery activities quantified as part of long-term recovery, SEMDC is capable of:

- Identifying business, economic, and entrepreneurial rebuild initiatives
- Identifying and utilizing workforce initiatives to employ workers and rebuild the local economy
- Applying for funds from federal, state, and local programs
- Develop management plans to ensure the most effective use of funds

Prioritizing Areas to Focus on Redevelopment

Limited time, funds, and materials will make simultaneous redevelopment of all damaged areas difficult. Communities should encourage redevelopment in the regions that correspond to their vision for the future and those less vulnerable to disasters by prioritizing and incentivizing development in these areas. Utilizing community Growth Policies and Capital Improvement Plans help communities establish previously thought-out plans in times of crisis. The best way to build resiliency to disasters is to direct future development to safe locations while minimizing or mitigating highly vulnerable types of development in hazardous areas.

After a disaster, targeted sustainable redevelopment areas can provide immediate opportunities for redevelopment since they will have sustained less damage and can be prioritized for infrastructure restoration and expedited permitting.

Allowing for rapid redevelopment in safe areas intended for increased future development will minimize vulnerable redevelopment and/or allow time to plan the sustainable reconstruction of locations severely impacted by the disaster. Designated priority recovery and redevelopment areas can also be used to locate temporary post-disaster facilities more efficiently that are consistent with future land uses.

Historic Preservation and Restoration

The loss of historic resources due to a disaster can significantly impact the community. Some losses may be unavoidable, but others could occur accidentally during recovery operations if procedures are not in place to watch for these concerns.

Historic structures are particularly vulnerable to damage due to their age, and repair of these structures must meet specific requirements to maintain their character and historic designation. There may also be funding opportunities before or after a disaster for implementing mitigation measures to prevent further damage to historic resources. Engaging state and local historic preservation organizations in the planning and implementation process can ensure that the unique considerations involved with preserving and restoring historic structures and archeological sites are included in a community's recovery plan.

Reducing Disaster Vulnerability through Land Use and Development Regulations

The best practice for post-disaster redevelopment is to restrict rebuilding in hazardous locations and require mitigation where vulnerable redevelopment cannot be precluded. While this action plan would ensure optimal community resiliency to disasters, it may take much work to achieve. When implementing any recovery plan, there may be better choices for tackling the first action. However, with careful

consideration of the legal implications concerning property rights and extensive public outreach, there are many regulatory tools for increasing disaster resiliency that may be a possibility for the region, primarily if pursued during the post-disaster “window of opportunity” for future reductions in disaster vulnerability. Potential regulatory methods could include reduced intensity or density of use, special permit requirements, increased setbacks from hazard sources (e.g., a waterway or building, etc.), hazard-specific site design requirements, and/or increased structural mitigation requirements.

These methods could be implemented through policies instituting lower damage thresholds requiring nonconforming uses/structures to meet current standards (in specific zones or throughout the jurisdiction), zoning overlay districts, post-disaster specific land development codes, and/or special assessment districts to fund mitigation projects that benefit more than one property.

Economic Reconstruction

The ability of a local economy to rebound after a disaster dictates the success of the community’s long-term recovery. The return of jobs, tourism, capital investments, and other economic health indicators depends upon housing recovery, infrastructure restoration, environmental restoration, and social service provision. The involvement of the private sector in the post-disaster planning process is imperative for determining the priorities and actions that will be beneficial to restoring the local economy.

Consideration must be given to the different obstacles that could potentially hinder economic recovery, such as those small businesses will face, decisions large employers will have to make about whether to relocate, opportunities for sustainable diversification of the economic base, and job training and workforce recruitment needed to meet altered market conditions after a major disaster.

Resumption and Retention of Major Employers

Rapid resumption of existing major employers is key to a community’s economic recovery after a disaster, primarily as employment provides a reason for most residents to return and rebuild quickly. Typically, the major regional employers already have business continuity plans and will not need the primary disaster preparedness education necessary for smaller businesses. These companies can often work with local governments as partners in planning for post-disaster redevelopment and provide insight into what government assistance they will need to ensure rapid resumption. Major employers may also have the means to assist in actions to support workforce retention if included in the planning process. While large company recovery assistance will vary, businesses located in hazardous areas or older structures may need assistance to reopen or relocate, temporarily or permanently, within the area. Suppose businesses do not feel connected to the community or fear recovery will not succeed. In that case, there is a chance that they will relocate their company elsewhere after a disaster. This is especially the case for corporate headquarters and industries that are not location-dependent or whose location choice is tied to quality-of-life factors. Mitigation and recovery plans give the private sector confidence in the community’s ability to continue providing the market environment necessary for conducting business. Some factors that may aid the retention of major employers include a high level of communication before and after a disaster about post-disaster redevelopment goals and expectations and/or incentives to ensure retention, if necessary.

Small Business Assistance

A “small business” is often perceived as a family-owned business that provides services solely to the local community. Small businesses comprise most businesses in the SEMDC region. Small businesses are more likely than large businesses to either never reopen after a significant disaster or fail shortly after reopening. Several factors may be involved in these failures, including the damage to a community,

the timing of reopening, and the lack of financial reserves. Short periods without cash flow can be damaging, and small businesses often find restrictions and loan arrangements overwhelming.

The region's SBDC Director and SEMDC Loan Officer will help guide businesses through the redevelopment process. SEMDC has access to certain Revolving Loan Funds (RLF) available to businesses during post-disaster redevelopment. Loans are typically based on the firm's pre-event business and tax returns and require extensive collateralization. Post-disaster market changes, however, may mean the company isn't able to do as well as it did pre-disaster, and the loan, even at below-market interest rates, sometimes becomes a burden to the long-term survivability of the business.

Workforce Retention

While trying to retain existing businesses, efforts must also address retaining the workforce that supports those businesses. Actions such as ensuring that schools reopen and childcare is available, allowing temporary on-site housing for employees, and communicating a community's post-disaster plan can assist in getting employees back to jobs as soon as the businesses have reopened. After a disaster, the market for certain businesses may decrease or be eliminated due to financial troubles or customer demand changes. However, other industries may provide employment opportunities, such as the construction industry, which will boom temporarily due to rebuilding needs. Workforce training programs are essential to provide residents with appropriate skill sets to fill newly available positions due to recovery efforts and to adjust workforce skills to other industries that may take more permanent hold in the community due to post-disaster business recruitment efforts. Providing locals with the first preference for temporary recovery work is vital for keeping workers from moving out of the area.

Physical Economic Redevelopment Projects

In some circumstances, opportunities may arise after a disaster to move forward with planned physical and economic development projects or to create new projects that take advantage of post-disaster funding, available land, or public will. Economic development projects that are disaster-resilient and fill a need in the community after a disaster should be a priority for post-disaster funding. In addition, the community can prioritize projects that incorporate energy efficiency and other "green" building design considerations. Business districts can be prime locations to focus post-disaster redevelopment projects since these districts offer financial tools or incentives, such as tax increment financing, reductions on impact fees, and state tax incentives.

Economic leaders can also consider ways to expand these business districts and leverage funding available through disaster programs from several federal agencies, including the Community Development Block Grant program and Economic Development Administration disaster assistance program.

Opportunities to Sustainably Restore Economic Vitality

Retaining existing businesses is the priority after a disaster; however, post-disaster redevelopment may also present an opportunity for businesses to assess their long-term applicability in the local market and take advantage of any changes in demographics or business incentives that may occur due to disaster impacts and an influx in outside funding to the area. For instance, a business that was already struggling before the disaster may need to rethink its business plan and use the disaster as an entrepreneurial impetus unless it happens to be engaged in one of the few economic activities that benefit from a disaster, such as the development industry. Some large and small businesses that endure the most significant damage or indirect losses will inevitably fail or choose to relocate after a major disaster. This can affect the county's unemployment rate if new businesses do not replace those that relocate.

Ideally, a community would have a diverse spectrum of businesses, so if one industry sector is severely impacted by a disaster, most of the workforce will not be affected. Unfortunately, the SEMDC region struggles with a lack of economic diversity. In the event of a disaster, losing one business could mean the loss of all the local benefits provided by that employer/industry. Efforts to diversify the local economy with industries that are less vulnerable to disasters should be integrated into ongoing economic development activities. Industries targeted for attraction and incentive programs after a disaster should be those that will provide a more disaster-resilient and sustainable economy for the community and are appropriate for post-disaster circumstances.

Infrastructure and Public Utilities

Restoration of infrastructure and critical public facilities after a disaster is a prerequisite for recovery, addressed in local government and private utility and infrastructure companies' emergency response and short-term recovery plans. There are long-term redevelopment considerations for infrastructure restoration. However, they must be weighed in conjunction with land use, environment, housing, and economic redevelopment issues. Taking advantage of opportunities to upgrade, mitigate, or even relocate infrastructure or public facilities after a disaster is critical. Advanced planning allows a community to make deliberate decisions about redevelopment that it may otherwise have had less opportunity to do during the post-disaster rush to rebuild.

Decisions about infrastructure reconstruction will influence private redevelopment decisions, and using disaster repairs as an opportunity to include hazard mitigation allows a local government to lead by example. Many agencies, jurisdictions, and stakeholders are involved in providing infrastructure, public facilities, and utility services. Before and after a disaster, these private and public entities need to establish communication and coordination procedures to ensure that long-term recovery and redevelopment occur in an efficient and organized manner. Each agency or company should have its recovery plan; however, coordination and communication are critical if any opportunities for directing redevelopment are to be pursued.

Types of Infrastructure and Public Facilities to Address in Post-disaster Redevelopment Planning

A community's infrastructure is made up of several different systems and structures, each of which should be considered carefully:

- Transportation systems – Repairing roads, bridges, railroads, airports, and public transit is essential to establishing normal operations within a community. The repair of these and other types of infrastructure is often necessary for other redevelopment efforts to take place. Post-disaster redevelopment can be used as an opportunity to modify, improve, and add to existing transportation networks. Incorporating hazard mitigation into the repair and reconstruction of transportation facilities can ensure that when disaster strikes again, the infrastructure is better able to handle the impacts.
- Potable water, sewer, and stormwater systems – Damage to potable water, sewer, and stormwater infrastructure can weaken a community's ability to recover. Like with other infrastructure, the community can take the opportunity to include hazard mitigation or other improvements during repairs. Relocation could be considered in cases of severe damage to infrastructure in highly hazardous locations. These opportunities may be missed if pre-planning is not conducted.

- Power, natural gas, and telecommunications – Recovery from a disaster cannot begin until significant utilities, especially electricity, are restored.
- Public facilities – Rebuilding after a disaster provides an opportunity to mitigate future hazard impacts and build a more resilient community. Public facilities, such as schools, libraries, and government offices, must be rebuilt to current building codes. However, above-code hazard mitigation may also be a good investment, and post-disaster funding sources may allow these expenditures. Some public facilities in highly hazardous areas could potentially be targeted for relocation during pre-disaster planning.
- Parks and recreation facilities – While parks and recreation facilities are typically not a priority for recovery, they are essential for regaining quality of life as part of the long-term redevelopment. Park properties also are often used in staging recovery efforts, such as temporary vegetative debris storage.

Financing Infrastructure and Public Facilities Repair

When a community decides which structures to relocate after a disaster or which mitigation projects to invest in pre-disaster, it should consider funding availability. Knowing where to prioritize spending requires basic knowledge of what is covered under insurance policies, which projects will be eligible for federal reimbursement through the Public Assistance Program, which projects can be funded through grant programs, and what financial reserves can be targeted for grant matching funds or local investment.



When a community begins to address its infrastructure issues as part of the initial planning process or as a pre-disaster implementation action, it can assess county or municipal insurance policies to determine which facilities are covered and to what extent the damage. They can then use this assessment to make decisions about increasing coverage or financing repairs to uninsured structures. They can also determine whether mitigation enhancements would be covered under current policies and Public Assistance or whether additional funding would be needed.

Public Assistance: Improved and Alternate Projects

Occasionally an Applicant may determine that improvements should be made while restoring a damaged facility; or even that the public would not be best served by restoring a damaged facility or its function. FEMA refers to these projects respectively as improved and alternate. All requests for these projects must be approved before construction.

Possible Alternate Projects

- Repair or expansion of other public facilities.
- Construction of new public facilities.
- Purchase of capital equipment; and
- Funding of hazard mitigation measures in the area affected by the disaster.

Possible Improved Projects

Relocation of public facilities, using improved materials, expanding capacity, and rebuilding to higher codes and standards.

In the event of a disaster, SEMDC is committed to the following:

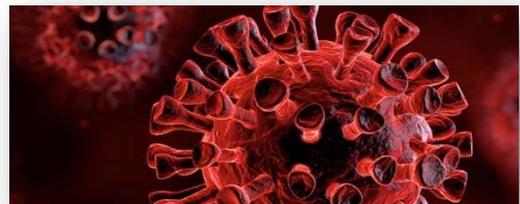
- Providing local officials, business leaders, and other community partners with access to regional demographic, economic, and hazard vulnerability data
- Developing technical expertise and economic analysis tools for conducting initial disaster assessments and long-term economic impact analysis
- Establishing collaborative relationships with local government officials and non-government organizations that may provide data, funding, technical expertise, and other resources essential to intermediate and long-term economic recovery following a disaster event
- Offering grant writing expertise and technical assistance to regional and local entities, both for pre-disaster resiliency initiatives as well as post-disaster recovery efforts
- Establishing familiarity with traditional economic and community recovery funding sources, including resources for business development assistance programs, such as EDA's Revolving Loan Fund (RLF) programs, as well as private, nonprofit, and philanthropic resources
- Providing technical support to impacted businesses
- Encouraging concepts and principles of economic resiliency strategies into the existing planning and development plans and activities within the region
- Leveraging assets
- Offering a neutral forum to convene diverse stakeholders and facilitate discussion and planning initiatives around the issues of economic resiliency preparedness and recovery.

COVID-19- Pandemic 2020 and Ongoing

In the fall of 2019, news of a worldwide COVID pandemic, having its genesis in China, took hold, spreading quickly throughout the United States in early 2020.

In May 2020, The Bureau of Business and Economic Research at the University of Montana (BBER) released a preliminary analysis of the impacts of the Covid-19 pandemic on the Montana economy at that time. Based on data available through early April, the BBER analysis found that the economic downturn caused by the pandemic would be more severe than the Great Recession, with average employment in 2020 down by more than 50,000 jobs and personal income down by almost \$4 billion, compared to earlier projections. More data has become available in the month elapsed since that report was completed. Preliminary estimates of U.S. Gross Domestic Product (GDP) and consumer spending for the year's first quarter became available.

National employment and unemployment estimates for April of that year also became available. The updated estimates painted an even bleaker picture of the economic downturn caused by Covid-19. The impacts of disruptions caused by social distancing, supply disruptions and the upheaval in energy markets combined produce a lower estimate of U.S. economic activity, translating into a harder hit and a slower recovery to the state economy. Specifically, new estimates were as follows:



- a loss of 75,000 jobs, on average, over the year 2020 for the Montana economy, reflecting worsening prospects for health care, transportation, and agriculture industries. Jobs include payroll jobs, as well as self-employed, business proprietors and non-employee contractor jobs.
- a shortfall in state personal income of \$6.4 billion, or 11.7 percent, in 2020 compared to the original, pre-Covid-19 projection.
- a slower recovery in the state economy, with underperformance in employment and personal income – relative to pre-Covid-19 projections – extending beyond 2022.

Intervention by the Federal Government in terms of direct assistance to taxpayers in the form of a series of economic stimulus checks, assistance for renters and unemployed workers, small businesses, and other forms of assistance helped to reduce the overall impacts over the following nearly two years.

As the pandemic crisis abates, we realize new variants will be a part of our future. Before Covid-19 emergency strategy for a pandemic was defined in vague terms. Now having the experience, communities focus on collaborative efforts that will support a quicker recovery.

History of Disasters within the SEMDC region

General Disaster Declarations – FEMA- Stafford Act

1. Northern Cheyenne Reservation, Montana Richard Spring Fire, 4623-DR-MT, Incident Period: Aug 8, 2021 - Aug 20, 2021, Declaration Date: Sep 30, 2021
2. Rosebud (County), Montana Richard Spring Fire, FM-5406-MT, incident Period: Aug 10, 2021, Declaration Date: Aug 10, 2021
3. Custer (County), Powder River (County), Rosebud (County) Designated Areas: Montana Snider/Rice Fire Complex, FM-5345-MT Disaster 5345, Incident Period: Sep 3, 2020 - Sep 6, 2020, Declaration Date: Sep 3, 2020
4. Custer, Powder River, Rosebud, Treasure Counties, Montana Covid-19 Pandemic, DR-4508-MT, Incident Period: Jan 20, 2020, and continuing, Declaration Date: Mar 31, 2020
5. Custer, Powder River, Rosebud, Treasure Counties, Montana Covid-19, EM-3476-MT, Incident Period: Jan 20, 2020, and continuing, Declaration Date: Mar 13, 2020
6. Powder River and Treasure Counties, Floods, Disaster 4437, Incident Period: Mar 20, 2019 - Apr 10, 2019, Declaration Date: May 24, 2019
7. Custer and Treasure Counties, Montana Flooding, DR-4405-MT, Incident Period: May 1, 2018 - Jun 10, 2018, Declaration Date: Oct 31, 2018
8. Rosebud County, Montana Ice Jams and Flooding, DR-4172-MT, Incident Period: Mar 1, 2014 - Mar 16, 2014, Declaration Date: Apr 17, 2014
9. Rosebud, Powder River Counties, Montana Wildfires, DR-4074-MT, Incident Period: Jun 25, 2012 - Jul 10, 2012, Declaration Date: Aug 2, 2012



10. Powder River County, Montana Ask Creek Fire, FM-2989-MT, Incident Period: Jun 25, 2012 - Jul 6, 2012, Declaration Date: Jun 27, 2012
11. Custer, Rosebud, Powder River, Treasure Counties, Montana Severe Storms and Flooding, DR-1996-MT, Incident period: Apr 4, 2011 - Jul 22, 2011. Date of declaration: Jun 17, 2011
12. Custer, Powder River Counties, Montana Severe Winter Storm, DR-1767-MT, Incident Period: May 1, 2008 - May 2, 2008, Declaration Date: Jun 13, 2008
13. Custer, Rosebud, Powder River, Treasure Counties, Montana Wildfires, DR-1340-MT, Incident Period: Jul 13, 2000 - Sep 25, 2000, Declaration Date: Aug 30, 2000
14. Treasure County, Montana Severe Storms, Ice Jams, Snowmelt, Flooding, Extreme Soil Saturation, DR-1183-MT, Incident Period: Mar 1, 1997 - Aug 6, 1997, Declaration Date: Jul 25, 1997
15. Rosebud County, Montana Severe Storms, Flooding, DR-777-MT, Incident Period: Sep 25, 1986 - Oct 28, 1986, Declaration Date: Oct 14, 1986
16. Rosebud, Powder River, Treasure Counties, Montana Severe Storms, Flooding, DR-558-MT, Incident Period: May 29, 1978, Declaration Date: May 29, 1978

Floods

Miles City has the highest occurrence of ice jams on the Yellowstone River. Three thousand two hundred structures are estimated to sit behind the levee. The levee was built in the 1930s. The levee failed an initial eligibility inspection under the P.L 84-99 program in 1990 due to many deficiencies. The Tongue and Yellowstone Rivers experience significant ice jams every two to three years. Miles City residents currently stand as Montana's most significant flood insurance policyholders. Miles City is the largest city east of Billings; smaller communities rely on Miles City for healthcare, groceries, livestock care, fuel, and schooling.



Miles City underpass Main Street Photo courtesy – The Miles City Star

The USGS and USACE have documented a long history of flood events at Miles City. Nineteen recorded flood events have occurred since 1882, with eight significant floods resulting in documented property and infrastructure damage. The two most damaging floods occurred in 1929 and 1944. In 1936, an embankment was constructed by the WPA to protect against a flood equal to the 1929 peak (Department of the Army U.S. Army Engineer District, Omaha, 1978). Other embankments were added by local interests in 1950 and 1974 as well. However, during the 1944 flood, the WPA embankment failed and was overtopped and undermined in multiple locations. The damages from the 1944 flood event were estimated to be equivalent to \$3.3 million in current dollars.

In 1948, the “Study of the Yellowstone River Basin and its Tributaries” was prepared by the USACE. Within the report, the USACE recommended a local flood protection project at Miles City due to the extreme risk of ice jam flooding at the confluence of the two rivers.

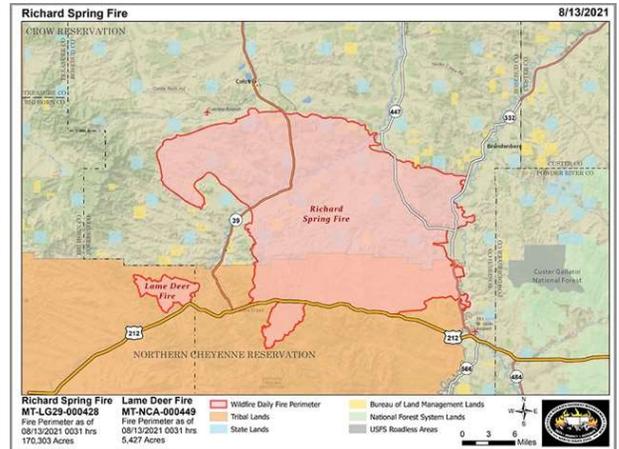
From the “Flood Mitigation Feasibility Study, Prepared for Miles City, Montana by KLJ, Engineers, February 2015”

USDA Secretarial Disaster Declarations – Drought Declarations from 2012 to 2021 - SEMDC Region

- 2021 – Custer, Rosebud, Powder River, Treasure Counties
- 2020 – Custer, Rosebud, Powder River Counties and Treasure County listed as Contiguous
- 2019 – Custer, Rosebud, Treasure Counties, with Powder River listed as Contiguous
- 2018 – None
- 2017 – Custer, Rosebud, Powder River, and Treasure Counties listed
- 2016 – Powder River County with Custer, Rosebud, and Treasure Counties listed as Contiguous
- 2015 – Custer County, with Rosebud and Powder River Counties listed as contiguous
- 2014 – None
- 2013 – Custer County, with Custer, Rosebud, and Powder River County listed as contiguous
- 2012 – Custer, Rosebud, Powder River, and Treasure Counties

Coal Seam Fires

Coal seam fires are a natural result of our geology. The process of decaying layers and organic materials is sometimes ignited by spontaneous combustion. Wildland fires can also ignite coal seam fires. Due to the out-of-sight nature of these fires are hard to track. Fires can burn underground for years before sparking a wildfire. Recently a thermal imaging camera has been used to find and document the location of these hot areas. Once mapped, landowners and firefighters can develop a mitigation plan to protect land and livestock. The Richard Spring Fire in Rosebud County in August 2021 spread across 171,000 acres. The fire threatened the towns of Ashland, Colstrip and Lame Deer, which were evacuated as dry conditions and wind, drove the fire closer to community hubs.



Map courtesy of MDT August 13, 2021

Summary

Over the past ten years, there were only two years when the Secretary of Agriculture listed none of SEMDC's four counties as a drought disaster. All four counties were listed with drought disaster designation in two of those years. Out of the 40 possible times that eligibility could occur (4 counties X 10 years), eligibility was extended either directory or as contiguous counties 31 times or a rate exceeding 75%.

A worldwide health pandemic had not been previously experienced and created social disruptions, transformed working environments, and had significant economic impacts on many levels that were not foreseen, including small business and household incomes, the closure of daycare facilities and remote learning for school-age children. Remote working and virtual learning brought focus to broadband connectivity issues in communities.

An added factor to long-term investing is Environmental, Social and Governance (ESG), a system used to measure a company's sustainability and responsible investing, asking specific questions, including social, sustainable, ethical and impact investing.

The big picture change for SEMDC's district is the economic transfer to low carbon from fossil fuels. The Colstrip Mine, Steam Plant and Bakken oil field are significant income factors to communities in our district. As restructuring to low carbon and green energy gains momentum, communities in SEMDC's district will face an economic shift. How will a coal community operated by families generationally face a plant closure? How does this look for family displacement or relocation, and does that leave a ghost town in its wake? Restructuring a coal mine or coal plant as it transfers to green energy leaves us with many questions, such as how will these families survive through the years of transition, how will a decreasing tax base support schools, healthcare, fire and law enforcement and numerous others?

Drought and climate change are affecting the cattle industry and farming. SEMDC's district covers 13,280 square miles, including many Main Street-type small businesses and numerous rural communities, including parts of the Northern Cheyenne Indian Reservation. These communities are fragile and can slip away.

Our goal is to create jobs and provide financing opportunities and planning to individuals, businesses, tribes, counties, cities, and towns to create a favorable economic position, maintain viable communities, and look toward the future. Growing businesses, helping find funding for a start-up business, job placement, and grant writing are a few ways we help sustain and grow in southeastern Montana.



Infrastructure Needs List

Southeastern Montana Development Corporation (End of October 2022)

Priority: **A** = 0-6 Months (Shovel Ready), **B** = 7-24 Months (Mid-Term), **C** = 24 + Months (Long-Term)

<u>Location</u>	<u>Brief Project Description</u>	<u>Estimated Project Cost</u>	<u>Priority</u>
Custer County	Fairgrounds Food Court Imp.	Total: \$ 250,000	B
Custer County	Bridge – Deadman’s	Total: \$ 760,000	A - Funded
Custer County	Tussler Bridge Project	Total: \$ 2,500,000	A - Funded
Custer County	Co. Portion-Flood Study Match	Total: \$ 125,000	A
Custer County	Transportation Dist. Operations	Total: \$ 90,000	A - Funded
Custer County	Transportation Dist. Equipment	Total: \$ 77,000	A - Funded
Custer County	Events Center - Phase II	Total: \$ 3,000,000	A
Custer County	MCC Generator – Shelter (2)	Total: \$ 120,000	A
Custer County	EMS / Fire Building–DLA Phase I	Total: \$ 903,000	DONE
Custer County	EMS / Fire Building – Phase II	Total: \$ 1,950,000	A
Custer County	Flood Plain Remapping	Total: \$	
Custer County	Community / Senior Center	Total: \$ 1,500,000	B
Custer County	Courthouse HVAC	Total: \$	
Custer County	MCC ARPA Water Project	Total: \$	B - Funded
Rosebud County	Castle Rock Road Eng. & Pave	Total: \$6,500,000	B
Rosebud County	Ashland Sidewalk Project	Total: \$ 450,000	A - Funded
Rosebud County	Ashland K-6 School Generator	Total: \$ 100,000	A - Funded
Rosebud County	Ashland Sewer Lift Station	Total: \$ 650,000	A
Rosebud County	Wildfire / Coal Seam Equipment	Total: \$ 250,000	B
Rosebud County	EMS Building P.A.R.	Total: \$25,000	B
Rosebud County	Five Building Roof Replacements	Total: \$250,000	A
Rosebud County	Courthouse Basement Repairs-DLA	Total: \$80,000	A - Funded
Rosebud County	Irrigation / Water District Repairs (4)	Total: \$ 700,000	B – Funded
Rosebud County	Ambulances (3)	Total: \$ 614,000	B
Rosebud County	Rosebud Water Dist. Lift Station	Total: \$ 850,000	B
Rosebud County	Highway 212 Initiative	Total: \$	B
Powder River County	Ranch Creek Road Improvements	Total: \$1,200,000	DONE
Powder River Co.	Airport Hangers / Pilot Lounge	Total: \$ 350,000	C - Funded
Powder River Co.	Belle Creek Road Improvements	Total: \$1,212,206	B - Funded
Powder River Co.	Ambulance Replacement	Total: \$ 400,000	DONE
Powder River Co.	Moorhead Bridge Replace. - DLA	Total: \$4,500,000	DONE
Powder River Co.	Little Powder River Bridge Replace.	Total: \$3,750,000	A - Funded
Powder River Co.	Nursing Home HVAC Project	Total: \$400,000	A
Powder River Co.	Fire Hall / Ambulance Building	Total: \$	B
Treasure County	Loader	Total: \$	
Treasure County	Hysham Irrigation District	Total: \$125,000	A – Funded
Treasure County	Fire Hall Building Insulation	Total: \$200,000	B
Treasure County	Horse Creek Bridge Concrete	Total: \$30,000	A - Funded
N. Cheyenne Res.	CDKC Campus Building	Total: \$ 12,000,000	B
N. Cheyenne Res.	Travel Plaza Planning	Total: \$ 100,000	A
Broadus	Generator - Lagoon & Wells	Total: \$30,000	A
Broadus	MT DOT Sidewalk Project	Total: \$ 500,000	A - Funded
Broadus	Water Well Project – ARPA II	Total: \$ 400,000	B
Broadus	Growth Policy / CIP Revision	Total: \$ 50,000	B
Hysham	Complete Street Paving	Total: \$ 300,000	B
Hysham	Wastewater Phase I Construct	Total: \$785,000	DONE
Hysham	Wastewater Phase II – ARPA II	Total: \$684,000	A

Page 1: Un-Funded TOTAL: \$ 30,248,000

<u>Location</u>	<u>Brief Project Description</u>	<u>Estimated Project Cost</u>	<u>Priority</u>
Miles City	Flood Control Protection - Levee	Total: \$ 45,000,000	C
Miles City	Storm Drainage Repairs - (4)	Total: \$1,875,000	C
Miles City	Airport BLM Operations Building	Total: \$400,000	B
Miles City	Airport Runway Upgrade Project	Total: \$4,453,000	A - Funded
Miles City	Public Safety Building Planning	Total: \$50,000	A - Funded
Miles City	Waste H ₂ O Treatment Plant Phase III	Total: \$2,400,000	B
Miles City	Waste H ₂ O Treatment Plant Phase IV	Total: \$2,100,000	C
Miles City	2 nd Water Line to Southgate Sub.	Total: \$ 2,000,000	C
Miles City	2 nd Dike Assessment-Yellowstone	Total: \$500,000	A
Miles City	Elementary School Roofing Upgrades	Total: \$600,000	A
Miles City	Elementary School Window Upgrades	Total: \$350,000	A
Miles City	Elementary School Handicap Upgrades	Total: \$300,000	A
Miles City	High School Roofing Upgrades	Total: \$300,000	A
Miles City	Industrial Park-OZ-TIF Sewer Line	Total: \$3,000,000	A
Miles City	BNSF Depot Restoration Plan	Total: \$80,000	DONE
Miles City	Brownfield's Assessment-DT Build.	Total: \$ 35,000	A - Funded
Miles City	One Health Building Project	Total: \$ 13,000,000	B
Miles City	Fire Pumper/Tender Truck	Total: \$ 350,000	B
Miles City	Assorted Public Works/Parks List (19)	Total: \$ 20,000,000	C
Miles City	Water Intake – ARPA II	Total: \$ 3,512,887	A
Miles City	Slough Stormwater – ARPA II	Total: \$ 2,644,050	B
Miles City	River Levee Designs – ARPA II	Total: \$ 3,305,000	B
Miles City	North 7 th Sewer Project – ARPA I	Total: \$ 2,500,000	B - Funded
Colstrip	Water Plant SCADA System Equip.	Total: \$690,000	A - Funded
Colstrip	Water Plant Upgrades – Coal Board	Total: \$500,000	A - Funded
Colstrip	N. End Water Loop Project	Total: \$764,000	B
Colstrip	Fiber Optics Expansion Installation	Total: \$21,000,000	B
Colstrip	Energy Park Construction	Total: \$2,000,000	B
Colstrip	BIC Construction	Total: \$3,000,000	A - Funded
Colstrip	Waste-Water Phase III Imp. - DLA	Total: \$625,000	DONE
Colstrip	Lagoon Improvements	Total: \$4,000,000	C
Colstrip	School Downsizing Renovation - DLA	Total: \$ 3,500,000	B
Colstrip	School Deferred Maintenance List	Total: \$ 5,500,000	B
Colstrip	Clinic Back-Up Generator	Total: \$ 60,000	A
Colstrip	Clinic HVAC System Equipment	Total: \$ 90,000	B
Colstrip	CPRD Disaster Generator	Total: \$ 40,000	A
Colstrip	Fire Truck	Total: \$750,000	B
Colstrip	Water Well / Tank Project – Zone 2	Total: 3,000,000	B
Colstrip	DNRC Wastewater Study	Total: \$ 15,000	B - Funded
Colstrip	Solid Waste Truck	Total: \$ 380,000	DONE
Colstrip	Street Sweeper Truck	Total: \$ 350,000	B
Colstrip	Police Vehicles (2)	Total: \$ 80,000	B
Colstrip	Public Works Pickups (2)	Total: \$ 80,000	B
Colstrip	Olive Drive Sewer Project	Total: \$ 160,000	B
Forsyth	Water Plant Engineering PER	Total: \$ 50,000	B - Funded
Forsyth	Levy SWIF Assessment (ACE)	Total: \$ 3,800,000	B - Funded
Forsyth	Brownfield's Assessment-DT Build.	Total: \$ 35,000	B
Forsyth	Water Tank Renovation	Total: 100,000	B - Funded
Forsyth	Water Intake ARPA II	Total: \$2,594,652	A - Funded
Forsyth	Middle School Boiler	Total: \$ 342,916	A - Funded
Forsyth	Fiber Optics Expansion Installation	Total: \$	B
Forsyth	Water Pump / Tank (Villa)	Total: \$1,200,000	B - Funded

Page 2: Un-Funded TOTAL: \$143,045,937

UN-FUNDED TOTAL: \$173,293,937

Funded Total: \$30,054,774

GRAND TOTAL: \$ 203,348,711

CURRENT

Priority Rankings Un-Funded

A: \$ 15,971,887 (“Shovel Ready” @ 0-6 months)

B: \$ 82,347,050 (7-24 months)

C: \$ 74,975,000 (24 + months)

SEMDC / County Rankings Un-Funded

Custer County: \$ 108,581,937

Rosebud County: \$ 62,648,000

Powder River County: \$ 880,000

Treasure County: \$ 1,184,000

(Includes Cities and Towns within each County)

(Includes Flood Control Dikes @ \$45 million)

(Includes the Northern Cheyenne Indian Reservation)

Project Type Rankings Un-Funded

1 - Water/Sewer: \$ 41,374,937

2 - Roads/Bridges / Paving: \$ 16,800,000

3 - Fire/Law Enforcement: \$ 3,330,000

4 - Schools: \$ 22,670,000

5 - Studies / Plans: \$ 835,000

6 - Medical / Health Care Facilities: \$ 1,164,000

7 - All Others: \$ 87,120,000

Note: \$45 Million Dike Replacement - Custer County

2010 Results

Custer County: \$2,235,000 (3 projects)

Rosebud County: \$1,652,000 (10 projects)

Powder River County: \$65,000 (1 project)

Treasure County: \$813,800 (3 projects)

TOTAL SEMDC COMPLETIONS: \$4,765,800 (17 projects)

2012 Results

Custer County: \$700,000 (1 project)

Rosebud County: \$320,000 (4 projects)

Powder River County: \$ (0 projects)

Treasure County: \$0 (0 projects)

TOTAL SEMDC COMPLETIONS: \$1,020,000 (5 projects)

2014 Results

Custer County: \$5,883,000 (3 projects)

Rosebud County: \$5,506,000 (5 projects)

Powder River County: \$450,000 (1 project)

Treasure County: \$0 (0 projects)

TOTAL SEMDC COMPLETIONS: \$11,839,000 (9 projects)

2016 Results

Custer County: \$ 2,080,000 (3 projects)

Rosebud County: \$ 1,915,000 (7 projects)

Powder River County: \$50,000 (1 project)

Treasure County: \$2,800,000 (2 projects)

TOTAL SEMDC COMPLETIONS: \$6,845,000 (13 projects)

2018 Results

Custer County: \$7,085,500 (3 projects)

Rosebud County: \$2,950,000 (4 projects)

Powder River County: \$12,200 (1 project)

Treasure County: \$195,000 (2 projects)

TOTAL SEMDC COMPLETIONS: \$10,242,700 (10 projects)

2020 Results

Custer County: \$1,536,000 (2 projects)

Rosebud County: \$7,007,000 (9 projects)

Powder River County: \$1,500,000 (1 project)

Treasure County: \$14,000 (1 project)

TOTAL SEMDC COMPLETIONS: \$10,057,000 (13 projects)

(2022 Results)

Custer County: \$983,000 (2 projects)

Rosebud County: \$1,005,000 (2 projects)

Powder River County: \$6,100,000 (3 projects)

Treasure County: \$785,000 (1 project)

TOTAL SEMDC Completions: \$8,873,000 (8 projects)

2011 Results

Custer County: \$000 (0 projects)

Rosebud County: \$8,073,000 (14 projects)

Powder River County: \$384,000 (2 projects)

Treasure County: \$000 (0 projects)

TOTAL SEMDC COMPLETIONS: \$8,457,000 (16 projects)

2013 Results

Custer County: \$ 530,000 (3 projects)

Rosebud County: \$ 7,015,000 (8 projects)

Powder River County: \$ 594,100 (6 projects)

Treasure County: \$0 (0 projects)

TOTAL SEMDC COMPLETIONS: \$ 8,139,100 (17 projects)

2015 Results

Custer County: \$12,989,650 (8.25 projects)

Rosebud County: \$2,428,750 (5.25 projects)

Powder River County: \$528,750 (2.25 projects)

Treasure County: \$196,750 (2.25 projects)

TOTAL SEMDC COMPLETIONS: \$16,143,900 (18 projects)

2017 Results

Custer County: \$651,500 (5.5 projects)

Rosebud County: \$1,864,034 (5.5 projects)

Powder River County: \$1,407,500 (1.5 projects)

Treasure County: \$37,500 (1.5 projects)

TOTAL SEMDC COMPLETIONS: \$3,960,534 (14 projects)

2019 Results

Custer County: \$302,750 (1 project)

Rosebud County: \$3,990,000 (10 projects)

Powder River County: \$121,000 (2 projects)

Treasure County: \$60,000 (1 project)

TOTAL SEMDC COMPLETIONS: \$4,473,750 (14 projects)

2021 Results

Custer County: \$4,500,000 (1 project)

Rosebud County: \$936,000 (8 projects)

Powder River County: \$950,000 (1 project)

Treasure County: \$200,000 (1 project)

TOTAL SEMDC Completions: \$6,586,000 (11 projects)

Southeastern Montana Development 2002-2022 Economic Impact Scoreboard June 2022 Custer ~ Rosebud ~ Powder River ~ Treasure Counties

SEMDC Service Region Economic Activity	Current Fiscal Year	2002 - 2022 20.5 Years Cumulative
Jobs Created and Retained	11	580
New Businesses and Expansions	6	223
Workshops/Attendees	8 / 104	187 / 2,053
Grant Awards (2010 to Present)	\$9,853,133	\$46,276,965
Loans Distributed (2010 to Present)	\$375,000	\$3,444,621
Investment Project Funding	\$773,000	\$26,914,815
Total Economic Impact	\$11,003,133	\$76,636,401

Industries:

Retail and Services	Health Care
Entertainment	Accommodation and Food Services
Telecommunications / IT	Construction
Logging / Wood Products	Childcare
Workforce Development	Value-Added AG and Energy

A) <u>Total Economic Impact (2002-2022):</u>	\$76,636,401
B) <u>Average Total Economic Impact / Year:</u> ((\$76,636,401 / 20.5 Years)	\$3,738,361
C) <u>Average Annual Contributions (2002-2022):</u> (Includes all Parties - County, City, Private, etc)	\$28,412
D) <u>Average Dollar Impact / Year:</u> ((\$3,738,361 / \$28,412)	\$132
E) <u>\$1 Invested with SEMDC was Leveraged:</u> (Average Annual Leverage since 2002)	132 Times

SouthEastern Montana Development 2002-2022 Economic Impact Scoreboard June 2022

Custer County Economic Activity	Current Fiscal Year	2002 - 2022 20.5 Years Cumulative
Jobs Created and Retained	4	290
New Businesses and Expansions	2	92
Workshops/Attendees	2 / 49	55 / 709
Grant Awards (2010 to Present)	2,513,646	\$14,427,741
Loans Distributed (2010 to Present)	\$375,000	\$2,136,950
Investment Project Funding	\$463,000	\$14,959,041
Total Economic Impact	\$3,351,646	\$31,523,732

Industries:

Retail	Health Care
Public Infrastructure	Accommodation and Food Services
Services	Construction & Equipment
Financial Services	Value-Added AG
Education / Training	Manufacturing

A) Total Economic Impact (2002-2022): \$31,523,732

B) Average Total Economic Impact / Year: \$1,537,743
($\$31,523,732 / 20.5 \text{ Years}$)

C) Average Annual Contributions (2002-2022): \$10,310
(Includes all Parties - County, City, Private, etc)

D) Average Dollar Impact / Year: \$150
($\$1,537,743 / \$10,310$)

E) \$1 Invested with SEMDC was Leveraged: **150 Times**
(Average Annual Leverage since 2002)

SouthEastern Montana Development 2002-2022 Economic Impact Scoreboard June 2022

Powder River County Economic Activity	Current Fiscal Year	2002 - 2022 20.5 Years Cumulative
Jobs Created and Retained	2	71
New Businesses and Expansions	2	26
Workshops/Attendees	1 / 10	23 / 205
Grant Awards (2010 to Present)	\$365,740	\$19,238,789
Loans Distributed (2010 to Present)	\$0	\$661,310
Investment Project Funding	\$90,000	\$2,458,401
Total Economic Impact	\$455,740	\$22,358,500

Industries:

Retail	Health Care
Entertainment	Accommodation and Food Services
Services	Value-Added AG
Automotive	Public Infrastructure

A) <u>Total Economic Impact (2002-2022):</u>	\$22,358,500
B) <u>Average Total Economic Impact / Year:</u> ($\$22,358,500 / 20.5 \text{ Years}$)	\$1,090,659
C) <u>Average Annual Contributions (2002-2022):</u> (Includes all Parties - County, City, Private, etc)	\$2,338
D) <u>Average Dollar Impact / Year:</u> ($\$1,090,659 / \$2,338$)	\$467
E) <u>\$1 Invested with SEMDC was Leveraged:</u> (Average Annual Leverage since 2002)	467 Times

Southeastern Montana Development 2002-2022 Economic Impact Scoreboard June 2022

Rosebud County Economic Activity	Current Fiscal Year	2002 - 2022 20.5 Years Cumulative
Jobs Created and Retained	5	216
New Businesses and Expansions	2	103
Workshops/Attendees	4 / 39	99 / 1,071
Grant Awards (2010 to Present)	\$6,961,809	\$12,143,829
Loans Distributed (2010 to Present)	\$0	\$646,361
Investment Project Funding	\$220,000	9497373
Total Economic Impact	\$7,181,809	\$22,287,563

Industries:

Retail and Services	Health Care
Entertainment	Accommodation and Food Services
Telecommunications / IT	Construction
Logging / Wood Products	Childcare
Workforce Development	Value-Added AG
	Value-Added Energy

A) <u>Total Economic Impact (2002-2022):</u>	\$22,287,563
B) <u>Average Total Economic Impact / Year:</u> ($\$22,287,563 / 20.5 \text{ Years}$)	\$1,087,199
C) <u>Average Annual Contributions (2002-2022):</u> (Includes all Parties - County, City, Private, etc)	\$14,615
D) <u>Average Dollar Impact / Year:</u> ($\$1,087,199 / \$14,615$)	\$75
E) <u>\$1 Invested with SEMDC was Leveraged:</u> (Average Annual Leverage since 2002)	75 Times

SouthEastern Montana Development

2014 - 2022

Economic Impact Scoreboard

Treasure County Economic Activity

2014 - 2022
JUNE

Jobs Created and Retained	3
New Businesses and Expansions	2
Workshops/Attendees	10 / 68
Grant Awards (2014 to Present)	\$466,606
Loans Distributed (2014 to Present)	\$0
Investment Project Funding	\$0
Total Funding	\$466,606

Industries:

Public Infrastructure and Safety
Accommodation and Food Services
Retail

A) <u>Total Project Funding (2014-2022):</u>	\$466,606
B) <u>Average Total Project Funding / Year:</u> ($\$466,606 / 9$ Years)	\$51,846
C) <u>Average Annual Contributions (2014-2022):</u> (Includes all Parties - County, Town, Private, etc)	\$1,149
D) <u>Average Dollar Impact / Year:</u> ($\$51,846 / \$1,149$)	\$46
E) <u>\$1 Invested with SEMDC is Leveraged</u>	46 Times



Tomorrow's Town ... Today!

COLSTRIP ECONOMIC DIVERSIFICATION STRATEGY



*GROWING MONTANA,
ONE JOB AT A TIME.*

MAY 2017

ACKNOWLEDGEMENTS

THE COLSTRIP ECONOMIC DIVERSIFICATION STRATEGY WAS FUNDED BY GRANT AWARDS FROM THE UNITED STATES ECONOMIC DEVELOPMENT ADMINISTRATION, MONTANA DEPARTMENT OF COMMERCE MONTANA COAL BOARD, AND THE BIG SKY ECONOMIC DEVELOPMENT TRUST FUND.



Photo Courtesy of Lori Shaw

THE DIVERSIFICATION OF COLSTRIP'S ECONOMY IS SUPPORTED BY THESE ENTITIES, BUT THE FINDINGS AND STRATEGIES OUTLINED IN THIS REPORT ARE NOT NECESSARILY THE VIEWS OF THE FUNDING AGENCIES.

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■ EXECUTIVE SUMMARY

The Colstrip Economic Diversification Strategy is a cooperative effort of businesses, civic organizations, and the public to outline economic development projects and goals that will diversify and strengthen the community of Colstrip, MT. Through the six-month study and public engagement process, multiple concepts have risen to the surface as opportunities for Colstrip to consider to bring balance to their economic drivers, while staying true to the core industries of coal mining and power generation that have built Colstrip into the vibrant community it is today.

This document is designed to serve as a roadmap to empower Colstrip to establish goals and objectives, develop and implement a plan of action, and utilize resources efficiently. The plan identifies goals, strategies, and actions for Colstrip to pursue. There is no silver bullet when it comes to economic diversification. Diversification is a series of long-haul experiments to secure success through several ventures coming together to provide support and balance to one another. Moving forward, community engagement at the local, state, and national level will be critical. To launch this partnership, the community would value a roundtable session with state and federal agency staff, legislators, and congressional staff to increase awareness of possible assistance. This plan is a living document and is designed to be updated regularly.

Moving forward, community engagement at the local, state, and national level will be critical.

The Colstrip Economic Diversification Strategy is intended to:



While diversification is important in all communities, the need for a formal diversification strategy in Colstrip has intensified as federal regulations and rulings jeopardize the viability of a significant portion of Colstrip’s electrical generation capacity by taking Units 1 and 2 off-line. Most recently, the owners of Colstrip Units 1 and 2 signed a binding legal agreement ratified by the District Court in September 2016 that obligates the parties or their assignees to the terms of the Sierra Club settlement agreement. The consent decree requires retirement of the boilers at Colstrip Units 1 and 2 by July 1, 2022. Neither the new Presidential Administration nor the sale of Units 1 and 2 could change the consent decree, as it was agreed to by all six owners and ratified by the District Court. By signing the consent decree, which includes a retirement date for Units 1 and 2, the owners were able to ensure the prolonged the life of the newer, larger, cleaner, and more economic Units 3 and 4 by avoiding further litigation and expensive environmental compliance improvements that would have otherwise been required for Units 3 and 4. These recent actions, along with looming fear around the long-term plan for units 3 and 4, pushed regional and community leaders to actively focus on developing the future of Colstrip beyond the primary economic drivers of today. Any future changes or impacts that happen at Colstrip will also be felt throughout Rosebud County and the State of Montana.

Any future changes or impacts that happen at Colstrip will also be felt throughout Rosebud County and the State of Montana.



Photo Courtesy of Lori Shaw

The coal-driven energy generation market may be challenged in Colstrip, but it is important to keep in mind the outstanding infrastructure that will remain and may ultimately be utilized to drive and direct diversification opportunities. From 500kV power lines to core industrial site infrastructure and a highly skilled labor force, Colstrip is filled with unique elements positioned to drive economic diversification beyond the traditional coal-driven energy generation market.

Today, there is a desire throughout society for authenticity and access to outdoor recreation – as a well-connected, caring and unique community, Colstrip embodies both! Colstrip has an extremely high quality of life with miles of trails, outstanding school infrastructure, a

well-developed park system, medical clinic, recreational lake adjacent to town and much, much more. To be effective, this strategy must be visionary enough to provide a strong foundation and flexible enough to evolve over time as circumstances change and opportunities arise.



Photo Courtesy of Tana Pippin

OVERVIEW OF GOALS AND STRATEGIES

Coal, Energy, and Renewable Technology

- Continue to develop and promote the positive marketing campaign for coal mining and power generation.
- Pilot and implement full-scale emerging clean coal industry alternatives.
- Explore opportunities for converting coal into petroleum products.
- Pilot a hydrogen fuel production facility.
- Foster renewable energy potential.
- Partner with a regional, accredited trade school.

High Tech Industry and Entrepreneurship

- Expand broadband services to increase economic, educational, and innovation capacity.
- Attract technology-based companies to locate in Colstrip.
- Establish a multi-functional professional facility.

Manufacturing

- Facilitate development of a tire pelletizing plan.
- Foster development of a municipal waste processing facility.

High Skilled Trades

- Develop a highway construction staffing, supply, and service center.

Agriculture and Outdoor Recreation/Tourism

- Promote agri/eco/geo-tourism throughout Rosebud County.
- Grow businesses in the agricultural support services sector.
- Develop a sugar beet processing facility.

Quality of Life

- Develop a marketing campaign to attract young professionals and families to Colstrip.
- Provide housing and transportation options for the retired and disabled members of the community.

■ PROCESS AND APPROACH

As a regional economic development group, Southeastern Montana Development Corporation (SEMDC) does a variety of planning activities within a four-county region. Additionally, the City of Colstrip has proactively planned for community growth and infrastructure needs. Together with federal support through EDA, USDA, and SBA, the State of Montana economic development resources, and the local presence of SEMDC, Colstrip has an exceptional inventory of economic development tools and resources available.

INVENTORY OF ECONOMIC DEVELOPMENT TOOLS



Photo Courtesy of Lori Shaw

Comprehensive Economic Development Strategy (CEDs) – development of this five-year, EDA-approved, regional plan is led by SEMDC and leverages regional partnerships and resources to strengthen the economy in southeastern Montana. Additionally, SEMDC facilitates annual public input update sessions with each community in the CEDs region, including Colstrip. Many projects in Colstrip and surrounding communities come to fruition as a result of the CEDs process.

Jim Atchison, Executive Director of SEMDC, noted that “SEMDC’s role is to listen and record what specific communities think about the economic health of their town or region, and analyze demographics and economic trends in the area. SEMDC recaps seven

community CEDs Public Sessions each fall and shares this with stakeholders that can take this information and react to these potential opportunities.” He added that “last December, the stakeholders participating in the Colstrip session asked for a diversification/marketing study to be done to stabilize the local economic base.”

Colstrip Capital Improvement Plans and Growth Plans – coal mining and power generation activities in Colstrip have blessed the community with the resources to effectively plan and build for current and future infrastructure needs. A bulk of Colstrip’s municipal infrastructure (water, wastewater, roads, etc.) was designed to serve a population of 8,500.

SEMDC – Colstrip is fortunate to have SEMDC’s home office located right in Colstrip. SEMDC spearheads numerous economic development efforts in the community. In addition to managing the CEDs process for southeastern Montana, they also are a key partner in the following:

- **Coal Country Coalition** – In April 2017, *The Changing Coal Industry: Regional Economic Impacts – Workforce Analysis – Transition Strategies* study was completed. This study reviewed coal impacts in eastern Montana. Macro-level issues discussed in that study were identified at a micro-level through the public input process in this Colstrip Economic Diversification Study.
- **SEMDC Infrastructure Needs List** – Through various regional efforts, SEMDC has documented infrastructure needs in Colstrip and the surrounding area. This list serves as a helpful tool when justifying the need for various economic development initiatives.
- **Eastern MT Brownfield Coalition** – SEMDC is an active member and represents Colstrip, along with SEMDC’s full constituency, on this coalition.

ECONOMIC DIVERSIFICATION STRATEGY COMPONENTS

- Community Participation
- Data Gathering
- Analysis of Local Economy
- Inventory of Local Economic Development Tools
- Development Areas
- Cluster Identification
- Recruitment Capability
- Goals and Objectives
- Prioritization of Goals
- Implementation Plan
- Performance/ Evaluation
- Final Report

- **Eastern MT Impact Coalition** – This coalition was formed to address the multitude of impacts resulting from oil industry development in the neighboring Bakken oilfield.

State of Montana – the state has a variety of resources available to Colstrip, including support of Certified Regional Development Corporations (SEMDC) through the Department of Commerce’s Office of Tourism and Business Development, and resources through the Governor’s Office of Economic Development.

In spring 2016, the City of Colstrip and SEMDC expressed the need to develop a more diverse economy in anticipation of the negative pressure being put on coal energy. SEMDC successfully secured funding to develop an economic diversification strategy through the Coal Board and Big Sky Trust Fund through the Montana Department of Commerce, and a United States EDA Power Grant. Economic diversification strategy components included are on the right:

The economic diversification strategy is designed to provide short and long-term goals that will assist the community and key stakeholders in pursuing diversification of the Colstrip economy. Community participation and in-depth strategic planning are at the core of this plan and are necessary to engage and energize leadership, provide continuity, and manage goals in a realistic time frame as well as to leverage limited resources. This plan was developed through input collected from a wide array of constituents, business owners, and county-wide entities.

A central focus throughout development of the economic diversification strategy has been continued, diverse public engagement. Dialog with the public began immediately at a public meeting on December 14, 2016 held at City Hall. This meeting attracted a diverse cross-section of state and community stakeholders. The intent of this meeting was three-fold and was designed to introduce the public to the intent of the economic diversification strategy; complete a community-wide SWOT analysis identifying strengths, weaknesses, opportunities, and threats; and gauge the public’s perception on the representation of various economic sectors outlined in the existing regional CEDS.



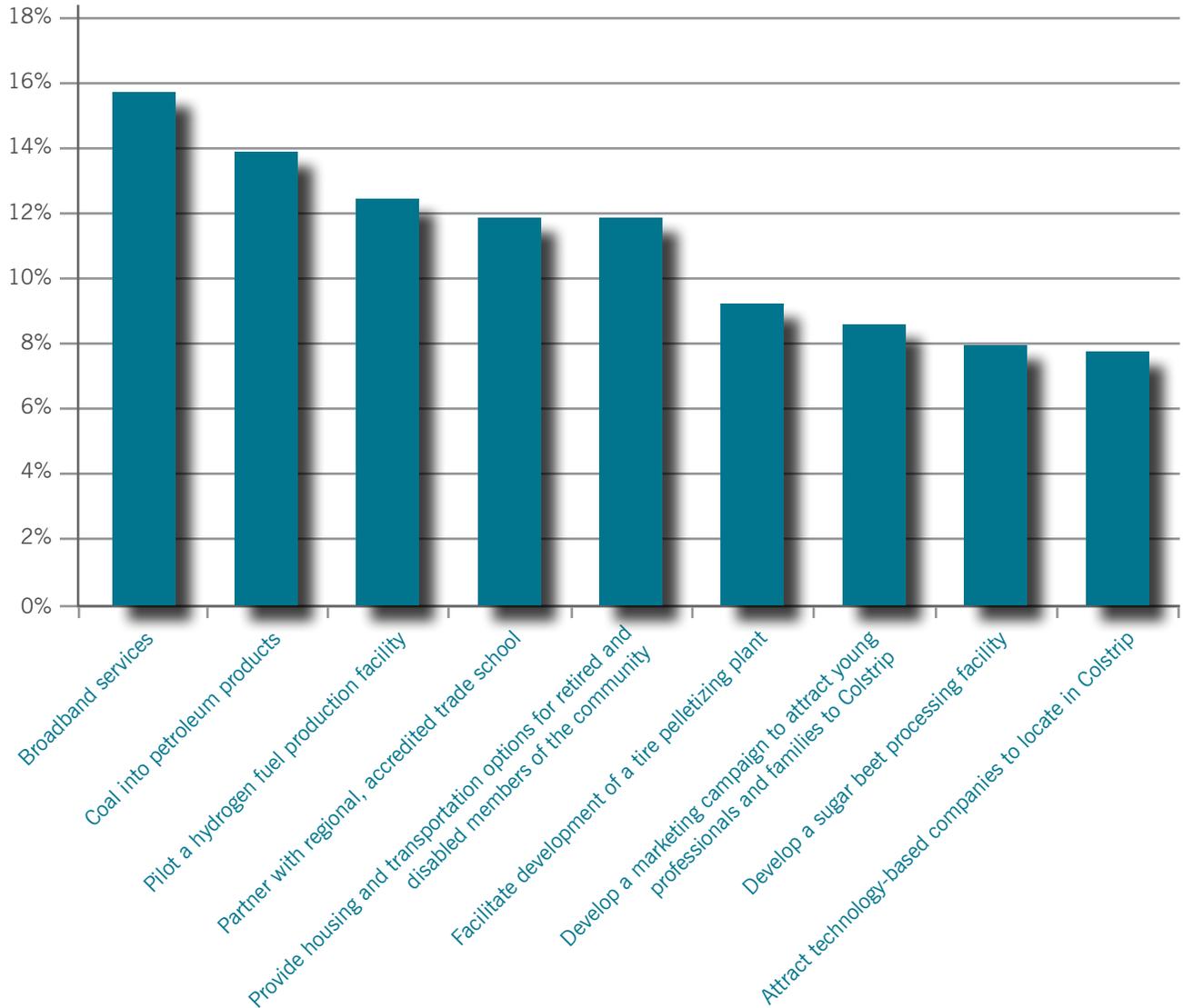
The second round of public engagement occurred on December 15, 2016 at City Hall and was targeted at business and industry stakeholders (while the public in general was also invited to participate). This high-level group strategic visioning session allowed for one-on-one and small group discussion with participants to identify potential initiatives or projects that would generate economic activity within the community while helping to diversify Colstrip’s existing economic drivers.

Following the initial rounds of public engagement, weekly interaction with SEMDC, and in-depth research into both the background of Colstrip as well as potential diversification opportunities, the economic diversification strategy team synthesized data into six potential goals that could lead to increased economic resiliency in the Colstrip region. These draft goals were then presented on March 20, 2017 to the public at City Hall. Through this public meeting, the goals were refined, prioritized, and assigned a working group lead from the community to assist in strategy development and implementation.

PUBLIC PRIORITIZATION RESULTS

At the public input meeting on March 20, participants had the opportunity to rank the proposed strategies showcased in this document. The nine highest ranking strategies are depicted in the chart below.

The top three priorities for the stakeholders were access to broadband services, exploring opportunities to convert coal into petroleum products and piloting a hydrogen fuel production facility.



■ BACKGROUND

Colstrip is in Southeastern Montana in the middle of Rosebud County. Nearly a quarter of the county's population resides in Colstrip. Colstrip is also Montana's newest town, officially incorporating in 1998 after serving the region as a leading coal provider since 1924. Throughout the community's history, Colstrip has weathered changing market and regulatory conditions surrounding the coal industry, beginning in 1958 when the community's founding industry, rail, shifted from coal powered steam locomotives to diesel locomotives. The challenge resulted in the sale of the Colstrip mine to Montana Power Company and after a decade of down time, mining operations resumed in 1970.



Along with renewed mining activities in 1970, the community welcomed multiple power plants during the 1970s and 1980s. Colstrip was a boomtown during this phase of its history. Generation Units 1 and 2 began operation in 1975 and 1976, with Units 3 and 4 coming online in 1984 and 1986. The power plants also spearheaded development of the 150-acre Castle Rock Lake, which now serves not only as a holding pond for power plant cooling but also as a recreational lake for swimming, boating and fishing. Colstrip has developed a premier education system, recreation district, trails, parks, one indoor pool, one

outdoor pool, splash park, and one of the highest qualities of life in Montana on a per capita basis. The quality of life assets of this community are rivaled by no other town of its size in the state of Montana.

The history of Colstrip's economy and residents are deeply rooted in the mining and power generation industries. This traditional element of the community has been shaken by several recent movements in the regulatory and legal system, including the Mercury and Air Toxics Rule, Regional Haze Rule, the Coal Combustions Residuals Rule, Clean Water Act Rules, National Ambient Air Quality Standards and Section 111(d) of the Clean Air Act.

DEMOGRAPHICS

According to the 2010 United States Census Bureau, the population of Colstrip is 2,214, with a median age of 38.1 years. This youthful community thrives with 97.9 percent of the population attaining a high school graduation level or higher, and 70.3 percent pursuing some college, completing an associate's degree or trade program.

The median household income in Colstrip is \$84,145, which 44 percent higher than the median household income of Montana at \$46,972. The educated and highly-skilled population along with the heightened income level are attractive, but at the same time, presents challenges for economic diversification combined with the level of wages that would be accepted in the region.

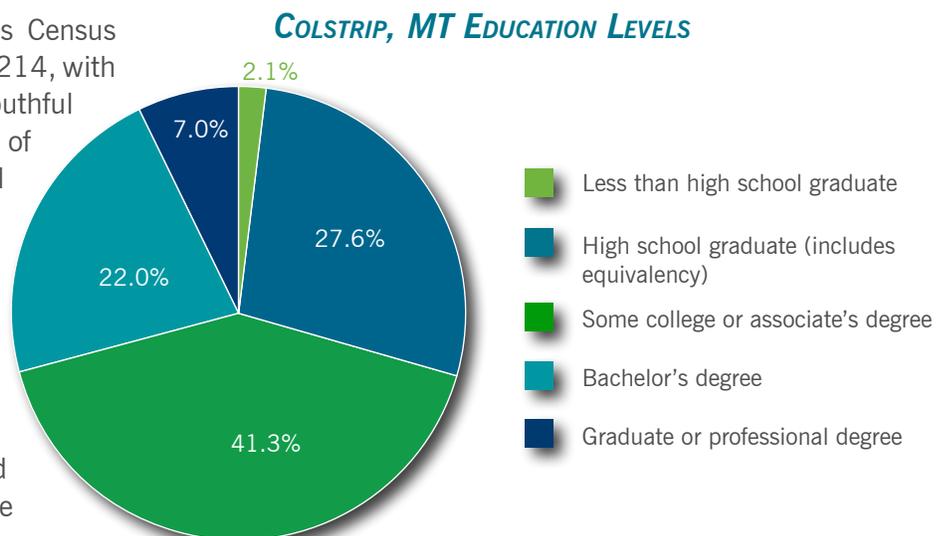


Figure 1-1: Colstrip has a strong resource in its well-educated population. Included in the 41.3 percent pursuing "some college or associate's degree" are the highly-skilled trade workers such as welders, electricians, heavy equipment operators, etc. These careers provide high-wage jobs, and require intense levels of training and apprenticeships.

PERFORMANCE AND DRIVERS

The current Colstrip economy is discussed throughout this section. Information presented is supported by leveraging data collected and analyzed through United States Cluster Mapping, a nationally-recognized source for regional economic data developed in partnership with United States EDA and Harvard Business School.

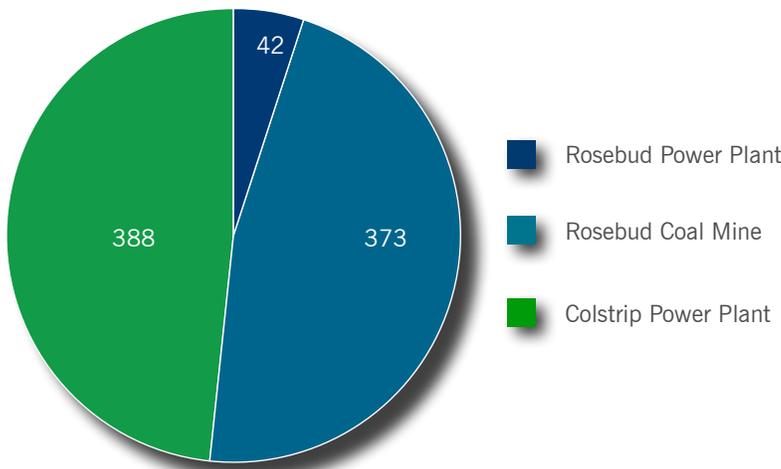
The economy of Colstrip is examined through building blocks, referred to as clusters. Together the individual clusters make up the economic profile that helps drive regional economic performance in the areas of higher wages, increased innovation, and job growth. Clusters can also be leveraged to attract companies and economic opportunity, or to build a data-driven case to influence public policy for regional needs.

When looking at Colstrip from a county-level (the closest federally reporting unit), Rosebud County's economy has been declining slightly in the areas of employment and prosperity when comparing 1998 figures to 2013 and 2014 data. Rank numbers are out of 3,221 counties studied through the United States Cluster Mapping Project through the Institute for Strategy and Competitiveness at Harvard Business School.



Figure 1-2: Rosebud County ranks in the 70th percentile for employment growth since 1998 and in the 89th percentile for Gross Domestic Product (GDP) per capita. On the other hand, Rosebud County is ranked in the 7th percentile for annual wage rate growth, which showcases strength in the region's economy.

COLSTRIP, MT MINING AND POWER PLANT JOBS



Both mining and power production are staples in Colstrip's economy. As reported to SEMDC in 2017, the Rosebud Coal Mine employed 373 workers, while the Power Plants combined provided employment for 430. Between the three employers, 803 full-time positions are provided to the region.

Figure 1-3: Source: As reported in 2017 to SEMDC by Rosebud Coal Mine, Colstrip Power Plant, and Rosebud Power Plant, 803 positions are created in the Colstrip region.

Ten of the twelve primary employers, by employee count, in Colstrip are shown below. This chart clearly identifies that a great majority of jobs in the community are coming from power generation and mining.

COLSTRIP, MT EMPLOYMENT COUNTY

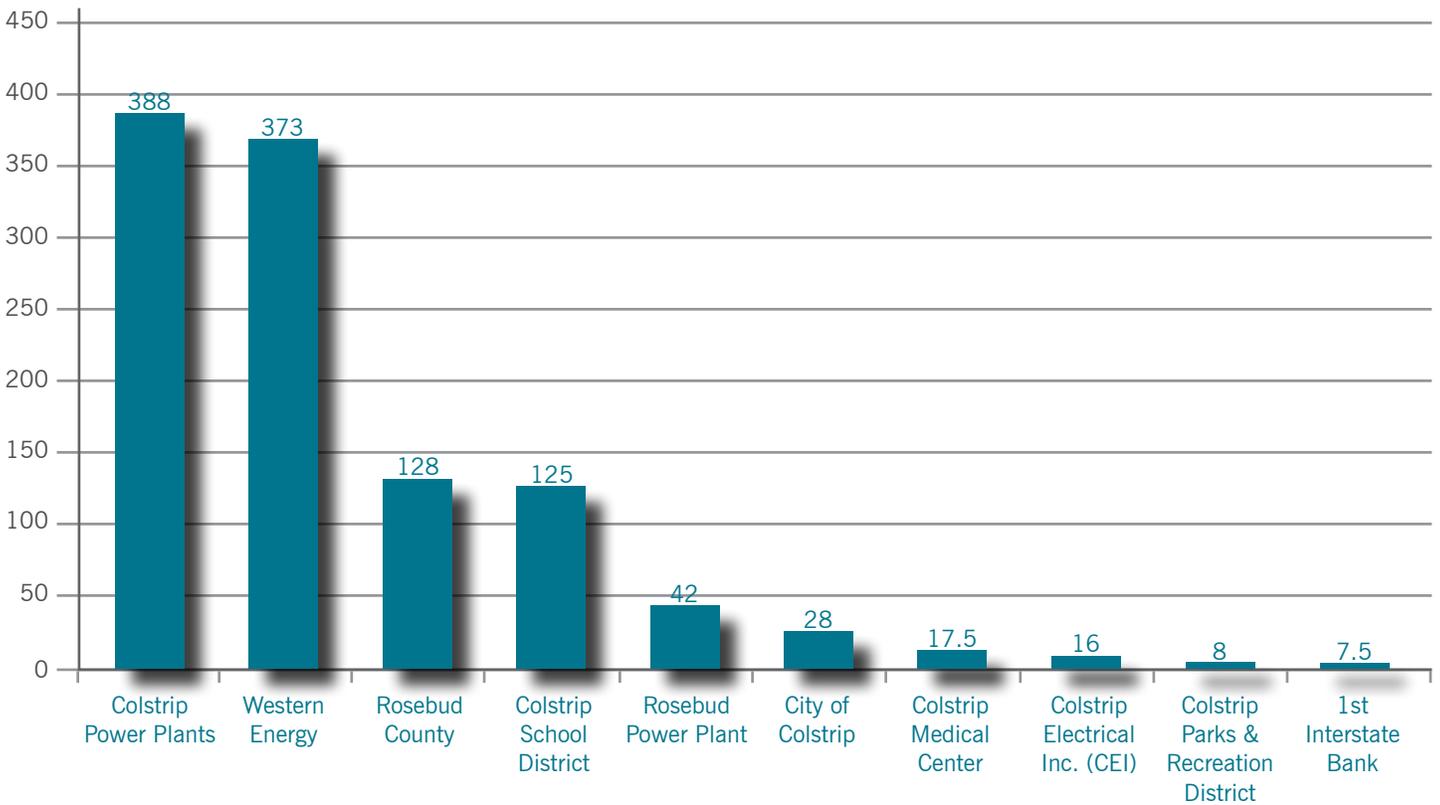


Figure 1-4: Colstrip has several active clusters, but employment resides heavily within the mining and power generation industries. Two major employers in the area did not report employee counts, but employ multiple people in the community: Rosebud Foods and Town Pump.

IN-DEMAND SKILL SETS (NOT ALL INCLUSIVE)

- Welders
- Electricians
- Engineers
- System Operations
- Heavy Machinery Operators
- CDL-Licensed Professionals
- Project Managers/Foreman
- Professionals to Lead Apprentices Programs
- Technical Repair
- Mechanics

When Units 1 and 2 close and the economy transitions, there will be excess labor skilled in union trades. In an effort to prepare and retain this group of laborers, it is critical that Colstrip work closely with the local unions to identify opportunities to retrain and redeploy these community members.

A majority of the diversification goals outlined in this plan include opportunities to retrain and redeploy the skill sets outlined in this chart.

Most of the dislocated workers will be able to seek employment in regionally-present industries such as pipeline, heavy construction, manufacturing, and transportation. A key challenge will be addressing the unavoidable wage gap.

CLUSTER LINKAGES AND ECONOMIC DIVERSIFICATION ROSEBUD COUNTY, MT 2014

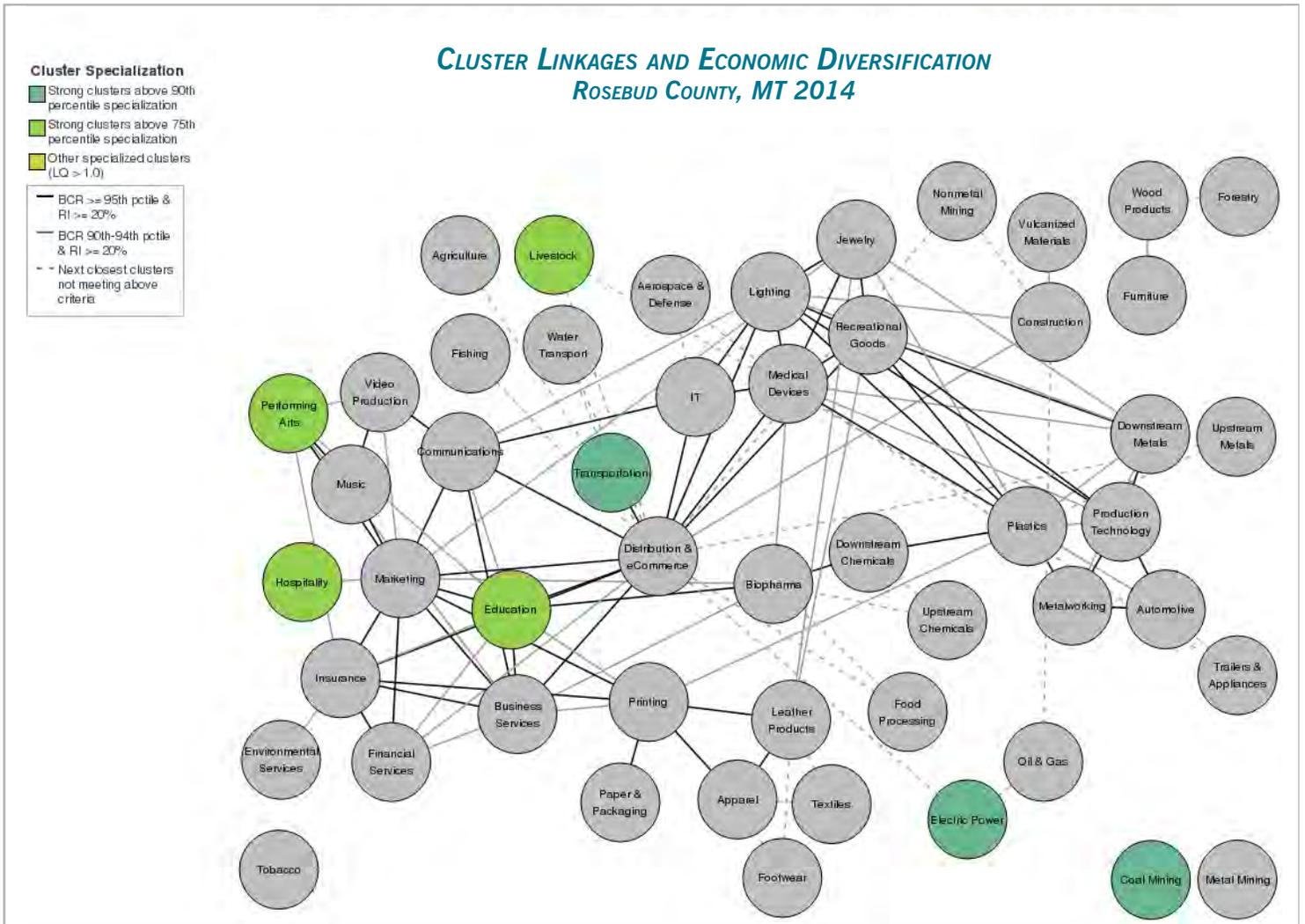


Figure 1-5: Coal Mining, Electric Power, and Transportation are performing in the 90th percentile for specialization. Source: United States Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School.

As the Colstrip economic diversification strategy team worked to identify opportunities in the region, it is important to first understand the existing diversification and cluster linkages that exist and contribute to the health of Colstrip's economy. Figure 1-5 is a relationship diagram that United States Cluster Mapping developed for Rosebud County to showcase the inter-dependencies of multiple specialties in the region.

The strongest clusters in Rosebud County are coal mining, electric power, and transportation. These sectors are performing in the 90th percentile of specialization. Other regional specialties, ranked above the 75th percentile, include livestock, performing arts, hospitality, and education. While coal mining appears to have no interdependencies as shown on Figure 1-5 above, it is evident that coal mining in the region is directly linked to multiple clusters, including electric power, transportation, distribution, and commerce.

RECRUITMENT CAPABILITY

TALENT

Colstrip is filled with talented, trained, experienced professionals. It is Colstrip's focus to retrain and retain as many as possible, but it is still important to assess the recruitment capability of the community. Several of the goals and strategies outlined in this plan focus on attracting new people and companies to Colstrip.

QUALITY OF LIFE

Welcoming soul of the community built on supporting one another

Beautiful landscape

Premier education system

Well-maintained infrastructure

Excellent medical services

Extensive trail system

Recreational lake

Numerous parks

Indoor pool/outdoor pool

Splash park

Truly one of the highest qualities of life in Montana per capita



Photo Courtesy of Lori Shaw

Colstrip offers a level quality of life unparalleled in Montana! With the demand for outdoor recreation and the outdoor lifestyle on the rise as a national trend, Colstrip is an ideal community. It was one of few communities in small town America that can confidently promote such a well-developed quality of life.

Understanding quality of life is important, as jobs follow people, and people and businesses are drawn to great places. Clark Anderson with Community Builders noted, “70 percent of entrepreneurs started their business after locating to the community.”

BUSINESSES

Aside from the efforts of SEMDC, who has a low recruitment budget, there are very few formal recruitment efforts in the state of Montana targeted at the rural, eastern portion of the state. It is perceived that there are limited sites to build or develop on, yet there is no formal “clearing house” in the state of Montana to truly inventory available sites and infrastructure capacity to those sites. Historically, the State managed a site that documented available land and



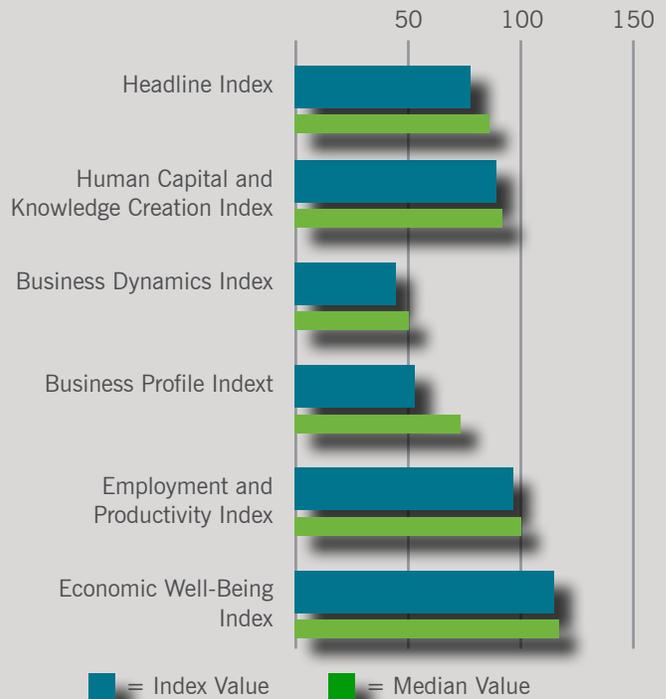
buildings for commercial and industrial development. It would be in Colstrip's interest to revisit this program with state partners to determine the viability of reviving the system and transforming it into a professional resource for developers. This initiative would provide benefit far beyond the city limits of Colstrip.

In Colstrip specifically, a majority of the land that could be used for commercial or industrial development is held by the owners of the Colstrip Power Plants or Western Energy, making identifying available land, finding contacts, and determining the value extremely challenging for proactive development.

Colstrip is extremely blessed with high-capacity, well-maintained infrastructure. A majority of Colstrip's core infrastructure (water, wastewater, roads, etc.) was designed for a population of 8,500. Knowing that Colstrip's current population is about 25 percent of that, means there is more than enough capacity to sustain significant growth – population and business.

StatsAmerica, Innovation 2.0, provides a series of indices to help local leaders analyze regional performance as compared to 3,110 counties throughout the United States, and to set strategic direction. Overall, Rosebud County ranked 2,244 out of 3,110. This ranking is driven by a multitude of factors, including those identified in Figure 1-6.

Figure 1-6: Innovation 2.0, a tool from StatsAmerica, provides insight into the innovation capacity and innovative output of a region.



HUMAN CAPITAL AND KNOWLEDGE CREATION

The average growth rate for the population ages 25 to 44 was mid-range at 1,397. Although a growing population is preferred, it is not the only factor considered. The human capital is also measured on the engagement capacity (based on age range) of the population; college students through established professionals.

Colstrip can leverage existing infrastructure, facilities, and expertise to build the research and development capacity of the region. This spills over into the fact that currently, there are few to no high-tech industry employers in the community, another factor in the innovation ranking. However, there are resources in place or within reach to build high-tech incubation capacity.



291 out of 3,110 in educational attainment

Colstrip has a well-educated and trained population with transferrable skills, specifically within the professional trades.

Technology

Colstrip struggled when assessing how easily technologies are created and diffused within the region.

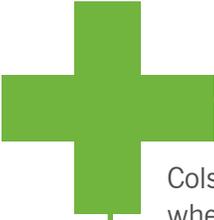
Colstrip's Remote Location

Considering the county's proximity to universities, incorporation of university research and development and business incubators.



BUSINESS DYNAMICS INDEX

Establishment formation, dynamics, venture capital dollars, and venture capital counts are all reviewed in this section of the analysis. Dynamics of the community are measured through the balance of markets served – are they local markets, distant markets, or a blend.



Colstrip ranked in the **top 20 percent** when considering venture capital dollars and counts.

High median income levels in comparison to the surrounding counties allowing for the potential for increased levels of venture capital investment.

Lack of new businesses

This index weighs new businesses into the measure of the region's appetite for entrepreneurship.

Mining and energy have dominated the region, **limiting the number of jobs that new businesses created** in comparison to total businesses in the community.



BUSINESS PROFILE INDEX

Of all five indices used to compile the likely innovative potential in the region, this is the index in which Rosebud County struggled the most with a score of 2,991 out of 3,110.

Both the national and foreign measures for investment are relevant to innovation because they fuel the transfer of knowledge and technology, while also demonstrating that the region is an open and “business friendly.” A third benefit to consider is that this measure indicates that a company or industry is making significant investments to either expand or restructure to increase productivity.



Foreign direct investment Performed in the **top third of the counties** in this analysis.

Colstrip's focus on the commodity markets of mining, energy, and power transmission, along with the infrastructure and human resources that support these markets, make Colstrip a **strong candidate for national and foreign direct investment.**

Lack of high-speed internet is a core weakness for enabling the local economy to be an innovation driver.

The **remote setting and lack of tie to the university systems**, is likely a key reason for Colstrip's lacking in the high-tech start up arena.

Shortage of small business

An asset to their ability to be flexible and highly adaptable to market changes. Colstrip lacks brick and mortar space for small businesses.



EMPLOYMENT AND PRODUCTIVITY INDEX

This index examines job growth and industry performance through cluster strength and diversification, gross domestic product, and patents.



14 out of 3,110 – Cluster strength

The industries within the clusters tend to see an increased level of productivity due to competitive pressures from both in and out of the region.

272 out of 3,110 – Industry performance

Job growth to population growth ratio.

When the specialized clusters are threatened from internal or external forces, the region is more **susceptible to vulnerabilities** in struggles in the industries.

Rosebud county may have a high diversity ranking, but Colstrip, is **largely consumed by the mining and energy** generation/transmission industries.



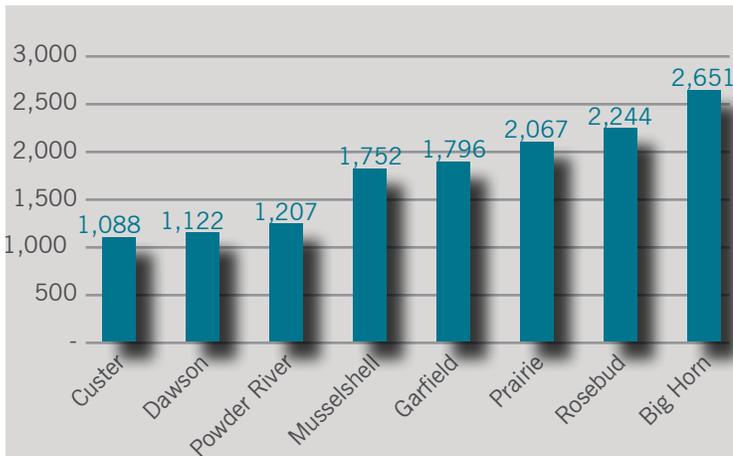
ECONOMIC WELL-BEING INDEX

This is the fifth and final index used to compile the innovation ranking for Rosebud County. The best overall measure in this index is per capita personal income growth.



Median household income of \$84,145, is **44 percent higher than the median household income of Montana.**

Region **has not seen significant growth** at these income levels when measured from 2002 forward.



Compared to the counties surrounding Colstrip, Rosebud County is ranked higher in innovation capacity than Big Horn, but falls short when competing with the other surrounding counties.

Figure 1-7: Rosebud County ranks 7th compared to its surrounding counties.

■ ANALYSIS OF ECONOMIC DEVELOPMENT PROBLEMS AND OPPORTUNITIES

The strategic planning process used in development of this economic diversification strategy facilitates community collaboration to prepare for economic shifts, asset management, and regional vitality. The SWOT analysis (strengths, weaknesses, opportunities, and threats) session for this project was conducted at the public meeting on December 14, 2016.

A SWOT analysis helps groups verbalize the internal (strengths and weaknesses) and external (opportunities and threats) factors impacting the functionality and success of the community. It is one of the most commonly used business analysis and decision making tools and assists in building strengths, minimizing weaknesses, seizing opportunities, and counteracting threats.

In summary, the SWOT analysis for this project revealed that Colstrip is a welcoming community with a low crime rate, good educational system, and low cost of living. In addition, the community has:



Access to natural resources and outdoor recreational opportunities was also high on the list of community strengths. In contrast, Colstrip is most concerned with addressing weaknesses in broadband infrastructure, a lack of urban amenities, limited opportunities for growth (related to land availability), and an overall lack of community vision. Additionally, two key threats facing Colstrip include lack of access to fresh water and cost associated with pumping water to the community, as well as decreasing home and property values in the community as a result of the looming changes to the coal and power industries. As might be expected given the pending closures of Units 1 and 2, community members also expressed a heightened sense of uncertainty and the imminent need to diversify economy and employment opportunities beyond the Colstrip Power Plant and Rosebud Mine.

For a full SWOT analysis report, please see Appendix A.

PUBLIC ECONOMIC CLUSTER IDENTIFICATION

Following the group SWOT analysis, participants were provided a list of economic industry clusters, as outlined by the Economic Development Administration in conjunction with guidelines for development of Community Economic Development Strategies (CEDs). Participants were provided “voting dots” and asked to use these to identify those economic industries they felt were well represented in Colstrip and those industries they felt needed improvement. Figure 1-8 represents the results of that analysis:

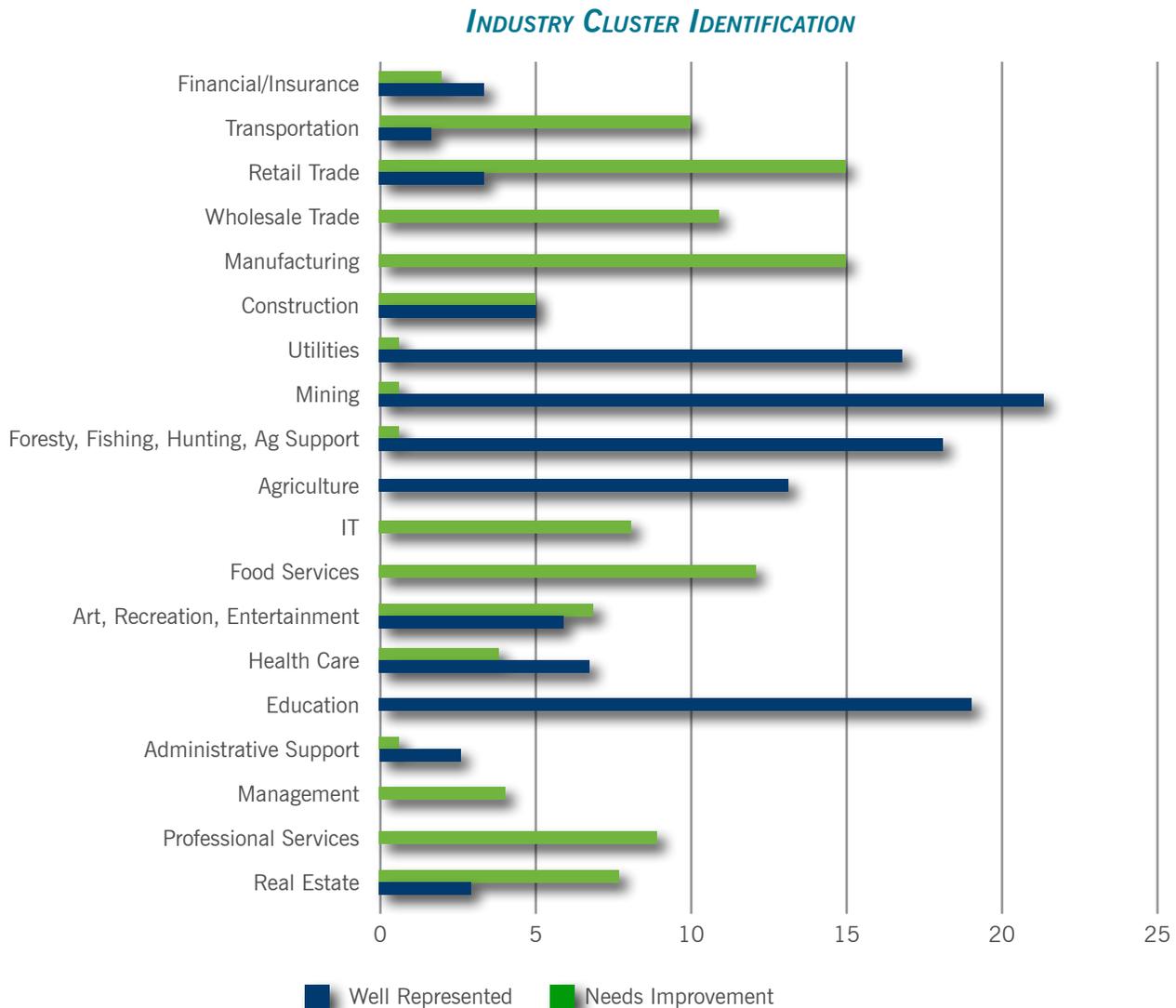


Figure 1-8: Public perception of cluster representation in Colstrip.

Areas of retail, manufacturing, food services, and real estate were identified as the top areas that needed improvement. The areas that the public perceived to be best represented include mining, education, forestry/ag, and utilities (including power production).

■ DIVERSIFICATION GOALS AND STRATEGIES

The diversification goals and strategies are a result of synthesized data and input collected from Colstrip's three public input strategy sessions (two in December 2016 and one in March 2017), along with guidance from SEMDC, industry experts and proven case studies from across the United States. These are designed to give firm direction and intent to the community-driven working groups, while still being flexible enough to react to changing local, regional, national, and international demands and opportunities. Multiple assumptions have been accounted for in development of these goals and strategies, including the permitted use industrial space made available by the removal of Units 1 and 2, use of the railroad, etc. These assumptions have not been confirmed and will be a key step in pursuing many of the initiatives outlined in this document.

As mentioned in the executive summary, there is no silver bullet or one-size-fits-all solution when it comes to economic diversification. The solution to the economic shifts in Colstrip will need to be ongoing and multi-faceted with active community, regional, state, and industry involvement. It is suggested to identify a champion for each goal and to establish a stakeholder working group (three to five people) for each strategy.

Following are the identified goals and strategies recommended to capitalize on existing and potential resources in the Colstrip area in an effort to diversify the economy and address economic sustainability and growth.

GOAL 1	Coal, Energy, and Renewable Technology
GOAL 2	High Tech Industry and Entrepreneurship
GOAL 3	Manufacturing
GOAL 4	High Skilled Labor
GOAL 5	Agriculture and Outdoor Recreation/Tourism
GOAL 6	Quality of Life

TERMINOLOGY



GOALS

are specific, measurable, attainable, realistic, and time-based

elements that will meet or enhance the outlined diversification need in the community. Goals outline the mission at-hand and provide guidance over the life of the project.



STRATEGIES

are a menu of options that support success of the larger goal.

This component of the plan will provide a more refined and detailed vision of what the community is hoping to accomplish and provides guidance to members of working groups.



TASKS

are actionable items or stepping stones that need to be accomplished

to attain each strategy and goal. This section is laid out in a check list format to easily track who is assigned to which tasks and which tasks are completed.



GOAL 1: COAL, ENERGY, AND RENEWABLE ENERGY

Leverage existing industry expertise to drive development around coal, energy, and renewable technology.



STRATEGY 1.1

Continue to develop and promote the positive marketing campaign for coal mining and power generation.

Leverage the proven efforts of Colstrip United to strengthen partnerships with regional and national coal mining and power generation entities. Design and launch a robust positive marketing campaign for coal mining and power generation. This collaboration focuses on educating the public on benefits of coal mining and power generation. With limited resources and audiences, partnerships will be the key for Colstrip to develop and spread the positive industry message beyond the regional boundaries.

Pair this marketing campaign with a sales pitch for Colstrip and the benefits the community offers. Colstrip United has a solid start on this effort and this strategy is designed to support and grow their mission.

BENEFITS
<ul style="list-style-type: none"> ▪ Partnership between public and industry ▪ Positive promotion of Colstrip ▪ Increased awareness of benefits of coal mining and power generation industries ▪ State/federal educational opportunity to build support

CHALLENGES
<ul style="list-style-type: none"> ▪ Small community pushing to make a national impact ▪ Cost associated with in-depth marketing campaign ▪ Access to appropriate marketing/public relations expertise ▪ Highly controversial topics ▪ Current opposition ▪ Permit process and regulations ▪ Need industry and buying markets involvement



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
1.1.1 Establish Industry Partners		<input type="checkbox"/>
1.1.2 Identify funding sources and a professional marketing firm to employ		<input type="checkbox"/>
1.1.3 Develop and maintain a web and social media presence as the go-to pilot site for clean coal technology		<input type="checkbox"/>
1.1.1 Develop a public relations campaign and set of positive business news stories to be released to the media over a set time frame by working with like-minded groups in the Colstrip area, i.e., Colstrip United, Cloud Peak Energy, etc.		<input type="checkbox"/>
1.1.5 Develop a series of mini-video documentaries to capture the favorable elements of the coal industry, and promote coal as an important part of energy balance in the future		<input type="checkbox"/>



STRATEGY 1.2

Pilot and implement full-scale emerging clean coal industry alternatives

Seek public and private partnerships to pilot and implement full-scale emerging clean coal industry alternatives including the conversion of coal to natural gas, and developing and utilizing CO2 carbon capture technology.

As an example, in the state of Minnesota, there is potential that a gas plant would replace two coal-fired units at Excel Plant near Becker, MN. As noted in the preliminary phases of identifying and justifying the need for the conversion, the closure of the 2 units, anticipated in 2022, would have significant socioeconomic impacts on the local community and regional reliability.

BENEFITS
<ul style="list-style-type: none"> ▪ Sustain coal industry jobs ▪ Sustain regional demand for coal ▪ Signature location for pilot projects and incubator for clean coal technology ▪ Provide new technology and science-based opportunities in Montana ▪ Leverage existing infrastructure ▪ Geology is good for capture and storage ▪ Support at the state and federal level

CHALLENGES
<ul style="list-style-type: none"> ▪ Competition with pilot and commercial clean coal technology facilities in other states ▪ High levels of investment required ▪ Testing new technology carries with it a heightened level of uncertainty and risk ▪ The need for increased state support through public incentives or initiatives ▪ Permitting process is time consuming



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
1.2.1 Establish community working group (3-5 people)		<input type="checkbox"/>
1.2.2 Work with legislators to assist in the development of guidelines for the newly created state-level granting resources		<input type="checkbox"/>
1.2.3 Meet with the industry team potentially pursuing clean coal alternatives in Colstrip		<input type="checkbox"/>
1.2.4 Engage with surrounding states (Wyoming and North Dakota) to gain a firmer understanding of their efforts and how Colstrip may benefit from or partner with their existing efforts		<input type="checkbox"/>



STRATEGY 1.3

Explore the opportunities for converting coal into petroleum products.

Explore opportunities for converting coal into petroleum products and use one of the existing plant facilities as a pilot plant to prove out conversion technologies on a full commercial scale.

For example, TransGas Development Systems (www.transgasdevelopment.com) uses proven clean coal gasification technology to chemically transform coal into nitrogenous fertilizer, liquid fuels, and industrial gases.

BENEFITS
<ul style="list-style-type: none"> ▪ Maintain jobs in the coal industry ▪ Repurpose existing local industry knowledge and experience ▪ Potential to use power plant site (Units 1 and 2) ▪ Multiple potential revenue streams and markets ▪ Proven technology

CHALLENGES
<ul style="list-style-type: none"> ▪ Investment required to establish gasification facility ▪ Permitting required to develop this project ▪ Evolving coal regulatory environment ▪ Compete with oil industry ▪ Transportation limitations ▪ Public perception of coal and current issues may carry over



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
1.3.1 Research companies such as TransGas with proven experience		<input type="checkbox"/>
1.3.2 Research national facilities in operation (i.e., Kentucky and West Virginia)		<input type="checkbox"/>
1.3.3 Research products being produced from this process		<input type="checkbox"/>
1.3.4 Meet with companies to explore their interest in Montana facility		<input type="checkbox"/>
1.3.5 Research state and federal funding and incentives		<input type="checkbox"/>
1.3.6 Work with company on feasibility study to assess viability in the Colstrip market		<input type="checkbox"/>



STRATEGY 1.4

Pilot a hydrogen fuel production facility.

Identify a national partner/expert and repurpose an existing industrial site to develop a hydrogen fuel production facility. The high cost of natural gas compared with the low cost of coal provides incentive for producing hydrogen from coal.

Hydrogen is speculated to be the energy carrier of the future as it has a high-energy density by mass and is extremely clean. Innovations in the industry are making it possible to use hydrogen to feed fuel cells or combust in a hydrogen turbine to produce electricity. The United States Department of Energy, along with private industry, has been investing into research and development for hydrogen from coal technologies.

BENEFITS
<ul style="list-style-type: none"> ▪ Maintain coal jobs ▪ Repurpose existing local industry knowledge and experience ▪ Potential to use power plant site (Units 1 and 2) ▪ Electrical generation with reduced emissions

CHALLENGES
<ul style="list-style-type: none"> ▪ Investment required to establish gasification facility ▪ Permitting required to develop this project ▪ Early technology ▪ Evolving coal regulatory environment ▪ Increasing environmental litigation ▪ Water resources are restricted ▪ Transportation



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
1.4.1 Research national pilot projects		<input type="checkbox"/>
1.4.2 Research funding and incentive opportunities		<input type="checkbox"/>
1.4.3 Work with pilot site/company on feasibility study to assess viability in the Colstrip market		<input type="checkbox"/>
1.4.1 Apply with United States Department of Energy to serve as a pilot or full-scale facility for hydrogen production		<input type="checkbox"/>



STRATEGY 1.5

Foster renewable energy potential.

Foster renewable energy development in Colstrip to utilize energy production and transmission expertise, along with existing transmission infrastructure.

The intent of this strategy is to foster the shift from an economy supported nearly solely on traditional energy sources to one that capitalizes on the existing infrastructure, skill sets, and knowledge to leverage emerging technologies aimed at balancing the power generation potential in the region. There are numerous potential renewable opportunities in the Colstrip region, including wind generation, geothermal, solar power, and biomass.

Montana is continually ranked as one of the top five windiest states in the nation. Couple that with federal funding incentives that are set to expire in the near future, and there may be an opportunity to capitalize on investments being made into wind generation. This would require a feasibility study to determine if Colstrip would be a viable location for wind production.

The biomass industry has potential to contribute significantly to the local and national economy as it matures. There are opportunities to use crop residues and wood waste to produce biomass energy. With Colstrip's nearby agricultural operations and the Fox Lumber facility in Ashland, MT, there may be potential biomass opportunities right in Rosebud County.

BENEFITS	CHALLENGES
<ul style="list-style-type: none"> ▪ Increase the number of jobs in the renewable energy sector ▪ Make use of existing transmission infrastructure ▪ Federal funding incentives for renewable development ▪ Geothermal geology ▪ Diversification of energy ▪ Potential to use existing industrial footprints/sites ▪ Take advantage of available transitional labor force 	<ul style="list-style-type: none"> ▪ Developing community buy-in ▪ Attracting investors ▪ Policies and regulations regarding renewable energies ▪ Reliability difference between traditional energy sources and renewables ▪ Permitting



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
1.5.1 Research and identify target renewable energy technologies		<input type="checkbox"/>
1.5.2 Education on benefits of renewable energy development		<input type="checkbox"/>
1.5.3 Research funding and incentive opportunities		<input type="checkbox"/>
1.5.4 Partner with state resources to identify potential investors		<input type="checkbox"/>
1.5.5 Conduct a feasibility study to test the viability of this market in the Colstrip region		<input type="checkbox"/>



STRATEGY 1.6

Partner with a regional, accredited trade school.

As Colstrip looks to diversify their economy, a key is access to a wide array of workforce skills to support the transitioning economy. One way to accomplish this is by designing an attractive atmosphere to draw developing workforce to the community during their training years and providing them internships and real-life experiences to help bridge the gap between the classroom and the real working world. Training could also be offered via distance learning methods to capture a broader market of students and to leverage existing programs and faculty of the partnering institution. Colstrip has a head-start on the training initiative through the Boilermakers Union Training Facility, which is already successfully operating.

By partnering with an accredited trade school, such as Miles Community College or Chief Dull Knife College, Colstrip could more easily establish a local college based in trades, Union crafts, and IT in Colstrip while simultaneously bringing positive brand recognition, accreditation, and industry credibility.

Additionally, there is currently a significant opportunity to increase and encourage apprenticeships throughout Montana. Colstrip should work with the State of Montana and the Unions in the region to build apprenticeship programs between federal, state, union, and private parties.

BENEFITS
<ul style="list-style-type: none">▪ Attract new talent to the area▪ Retain existing talent and venture capital potential▪ Attract a new type of investment to the region▪ Develop opportunities for employment▪ Combine the benefits of classroom training with on-the-job experience▪ Education both on-site and virtually to attract a higher number of students▪ Utilize existing professionals in the community to serve as educators in the trades▪ Need for trades in United States▪ Partnership opportunities with industry and established educational entities

CHALLENGE
<ul style="list-style-type: none">▪ Remote location may prove to be a challenge when attracting college-age students▪ Challenge of training students for jobs that may not currently exist in the area▪ Significant investment that would likely require support from state and federal levels▪ High speed internet/broadband services are lacking and are needed to support distance education▪ Potential lack of training facilities or cost of rehabilitating existing buildings▪ Streamlining of regulations



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
1.6.1 Open a dialog and establish a partnership with accredited community college or Montana University		<input type="checkbox"/>
1.6.2 Host a round table discussion with state and federal agencies in Colstrip		<input type="checkbox"/>
1.6.3 Partner with local Unions and Union training opportunities		<input type="checkbox"/>
1.6.4 Work with legislators to assist in development of guidelines for the newly created state granting opportunities		<input type="checkbox"/>
1.6.5 Meet with the industry team potentially pursuing clean coal alternatives in Colstrip to determine intern and apprentice opportunities and training needs		<input type="checkbox"/>
1.6.6 Engage with surrounding states to gain a firmer understanding of their efforts and how Colstrip may learn from or partner with their existing efforts		<input type="checkbox"/>



GOAL 2: HIGH TECH INDUSTRY AND ENTREPRENEURSHIP

Support technology and entrepreneurship development to build long-term diversification opportunities for the Colstrip economy.



STRATEGY 2.1

Expand broadband services to increase economic, educational and innovation capacity.

Encourage the State of Montana to invest in broadband infrastructure as a state priority as well as broadband service providers to make broadband service available to all residents, medical facilities, educational establishments, and areas of the city zoned for commercial use. Colstrip is lacking in access to wired connection capable of 25 mbps download speeds, and this is a limiting factor to the community's growth potential.

Broadband Now highlights the fact that only 68 percent of Montanans have wired broadband coverage of 25 mbps down and 3 mbps up, in comparison to the neighboring states of Wyoming (72 percent), North Dakota (89 percent), and South Dakota (85 percent) (broadbandnow.com/Montana). On the list of Montana counties, Rosebud is one of the most underserved in the state.

A thorough assessment of the broadband status is needed to help propel the economy of Colstrip and eastern Montana forward. Broadband expansion is critical to delivering distance education, fostering business growth and meeting changing health care practices. A key action in this strategy is the development of a telecommunications/information systems plan identifying the existing capabilities, potential uses and project needs to help guide investment for broadband into the region.

BENEFITS
<ul style="list-style-type: none"> ▪ Increased opportunities for entrepreneurship ▪ Potential expansion of medical services provided locally ▪ Increased access to higher education at a reduced cost ▪ Benefit to Montana as a whole, specifically Eastern Montana ▪ Increased recruitment of manufacturing operations

CHALLENGES
<ul style="list-style-type: none"> ▪ Long-time frame to complete/achieve ▪ Drives timeline and ability to attract high-tech companies ▪ Cost associated with delivering broadband service to a remote location with low population ▪ Lack of state and federal financial support to offset cost for developers ▪ Easement challenges



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
2.1.1 Partner with surrounding counties and appropriate utilities to develop a telecommunications/information systems plan identifying the existing capabilities, potential uses and project needs		<input type="checkbox"/>
2.1.2 Explore the opportunity of better utilizing the existing T-1 lines in the community to establish/ provide specialized distance training programs		<input type="checkbox"/>
2.1.3 Encourage the state to invest in broadband. Work with state and federal delegates to reinstate the Montana Broadband Program and the State Broadband Initiative program		<input type="checkbox"/>
2.1.4 Support the state's interim broadband study and assign Colstrip resident(s) to participate in the study		<input type="checkbox"/>



STRATEGY 2.2

Attract technology-based companies to locate in Colstrip.

Partner with Montana Technology Innovation Partnership (MTIP) to attract high quality, technology-based companies to locate in Colstrip. By attracting new companies to the area, Colstrip will be able to grow and retain jobs that advance the region.

Strengthening the entrepreneurial eco-system in Colstrip includes educational opportunities, partnering with state-wide start-up initiatives, designating space for collaboration and start-up operations, and assisting entrepreneurs in identifying funds to fuel young companies.

Colstrip may be able to serve as a Data Center hub. Colstrip may also have an opportunity to subcontract with electronic component manufacturers, such as DigiKey where the products produced are extremely small, and can easily and cost effectively be shipped in large quantities via semi-trailer.

Another technology-based industry to consider is the Unmanned Aerial Vehicle (UAV) market. The skills and aptitude desired for drone pilots happens to align well with the technical and thinking skills needing in the mining and power generation fields. Aside from piloting drones (which can be done remotely from any location), is the opportunity for manufacturing and repair of drones and replacement components.

BENEFITS
<ul style="list-style-type: none"> ▪ Increased jobs in differing sectors ▪ Existing recreational opportunities are an appealing element of the community to attract new entrepreneurs ▪ Increased educational or re-training opportunities ▪ Unique location for people who appreciate the outdoors ▪ Capable workforce

CHALLENGES
<ul style="list-style-type: none"> ▪ Lack of access to broadband ▪ No existing connection with an existing start-up community ▪ Limited access to higher education ▪ No established community hub for young companies to locate or rent space ▪ Remote location, lack of big-box amenities ▪ Need for access to venture capital



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
2.2.1 Meet with MTIP and Governor's Office of Economic Development to understand needs they are seeing and results of research		<input type="checkbox"/>
2.2.2 Partner with the state to develop a clearing house for available commercial and industrial property, statewide		<input type="checkbox"/>
2.2.3 Research companies such as DigiKey to make contact to determine potential interest		<input type="checkbox"/>
2.2.4 Repurpose the Isabel Bill's Community Learning Center to serve as an entrepreneurial hub		<input type="checkbox"/>
2.2.5 Partner with state and regional business incubators to attract incubating businesses to Colstrip for long-term operations		<input type="checkbox"/>



STRATEGY 2.3

Establish a multi-functional professional facility to support small business development and retention.

Research completed by the Regional Economic Development Institute at Colorado State University points to the trend that rural areas are more entrepreneurial and that 1/3 of job growth in the United States comes from start-up companies. This is not surprising giving increasing popularity of the artisan economy and small-scale manufacturing such as brewing beer or sewing clothing locally to be sold on internet sites globally.

At a local level, the power of re-investment is a key to success. Promoting entrepreneurial development in Colstrip will not only support local entrepreneurs, but it will also retain local investment.

Repurpose the Isabel Bills Learning Center to serve as a multi-functional professional facility. This facility could refresh a quality, existing resource in the community to host a technical training center (trades, union crafts, emergency medical, etc.), office space for professionals (lawyers, engineers, environmental, etc.), and energy industry research and development.

BENEFITS
<ul style="list-style-type: none"> ▪ Make use of an existing facility ▪ Foster education throughout the region ▪ Stimulate business start-ups in the community by limiting the overhead burden ▪ Create a space to attract clean coal technology ▪ Attractive community to live in ▪ Motivated owner

CHALLENGES
<ul style="list-style-type: none"> ▪ Investment required to repurpose Isabel Bills Learning Center (new HVAC unit, general upgrades, etc.) ▪ Ongoing facility management costs ▪ Attracting businesses to locate in Colstrip ▪ Lack of broadband infrastructure



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
2.3.1 Host a focus group with existing small businesses in the community to identify needs		<input type="checkbox"/>
2.3.2 Meet with MTIP to understand what needs they are seeing and results of their research		<input type="checkbox"/>
2.3.3 Research companies such as DigiKey to make contact to determine potential interest		<input type="checkbox"/>
2.3.4 Meet with USDA to better understand their Rural Microentrepreneur Assistance Program and the Rural Microloan Revolving Fund		<input type="checkbox"/>
2.3.5 Repurpose the Isabel Bills Community Learning Center to serve as an entrepreneurial hub		<input type="checkbox"/>
2.3.6 Partner with state and regional business incubators to attract incubating businesses to Colstrip for long-term operations		<input type="checkbox"/>



GOAL 3: MANUFACTURING

Build a unique manufacturing ecosystem to capitalize on existing industrial sites and infrastructure while creating sustainable, high-paying positions.



STRATEGY 3.1

Facilitate development of a tire pelletizing plant.

Leverage existing rail infrastructure and industrial facilities to establish a tire recycling facility to repurpose used tires as roadway construction materials. These materials could be sold as a base for road construction through the construction company supply and service center proposed under Goal 1, Strategy 2, or as rubber mulch for the landscaping industry.

The state of Kentucky has a robust program for waste tire recycling. Through a combination of state policy through the Division of Waste Management and a formal waste tire collection program, the state repurposed an estimated four million tires annually into pelletized or crumb rubber. This recycled rubber is then used as a base for roadways, trails, landscaping material, etc. (<http://waste.ky.gov/RLA/Waste%20Tires/Pages/default.aspx>)

In West Virginia, Preston Tire & Recycling is using shredded tires for the purposes discussed above, but prior to shredding, the metal is stripped from the tires and sold as scrap to be recycled. Additionally, the company has expanded the use of their system to recycle agricultural plastic from hay bales by compressing them into four-inch fence posts.

Powder River County, MT has been collecting tires at the County landfill and recently ran out of room and were forced to ship seven semi-loads of tires for disposal. The County reportedly had to pay approximately \$18,000 to dispose of their tires. While the exact quantity of tires available for recycling is unknown, it would appear that there may be a market for a recycling facility.

BENEFITS
<ul style="list-style-type: none"> ▪ Provide jobs in manufacturing sector ▪ Recycle waste product ▪ Use rail infrastructure to bring in waste material from across the state/region ▪ Potential to repurpose existing power plant site (Units 1 and 2) ▪ Revenue generation potential from sale of crumb rubber ▪ Proven models in the United States to build from

CHALLENGES
<ul style="list-style-type: none"> ▪ Need for state-driven policy to support this effort ▪ Unknown waste tire availability in Montana or surrounding regions ▪ Investment required to establish recycling facility ▪ Need for paying consumers of recycled content ▪ Cost of transporting tires to Colstrip ▪ Build environmental group buy-in ▪ Disposal fee



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
3.1.1 Research successful tire recycling facilities around the United States. Conduct interviews to understand their challenges and/or strategies		<input type="checkbox"/>
3.1.2 Meet with MT DEQ Solid Waste division to understand the volume and needs		<input type="checkbox"/>
3.1.3 Meet with BNSF		<input type="checkbox"/>
3.1.4 Conduct a feasibility study		<input type="checkbox"/>
3.1.5 Meet with the State of Kentucky to model a program for Montana		<input type="checkbox"/>



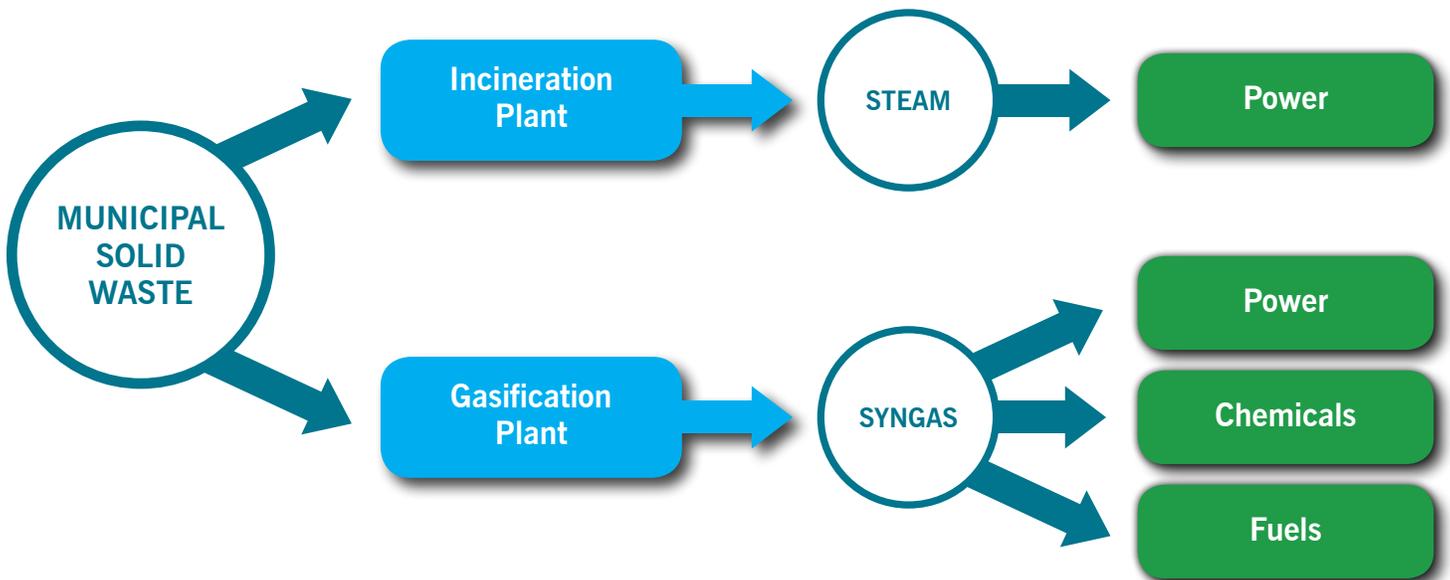
STRATEGY 3.2

Foster development of a municipal waste processing facility.

Leverage existing, underutilized rail infrastructure and potentially available industrial sites to develop a municipal waste processing facility. This concept that has been implemented globally with proven success. Colstrip's exceptional rail infrastructure, industrial sites that may be made available by the closing of Units 1 and 2, along with the unique access to transmission infrastructure makes Colstrip appear to be a potentially viable candidate for a municipal solid waste incineration facility for electricity.

In this example, cities that have high volumes of solid waste, but limited storage and disposal capacity, would pay to transport their waste to the incinerator in Colstrip (thus funding the feedstock for the project). As the waste is incinerated, the steam is used to turn turbines and generate power; similar to the coal-fired process, but with a different fuel source.

An alternate option, as summarized in the image below from Emerson Process Experts (www.emerson.com), is to process the solid waste through a gasification plant to produce Syngas, which then produces three end products of power, chemicals, and fuels.



In both scenarios, the processor (Colstrip) is paid to manage the municipal waste, and the waste incineration/gasification process provides end products that serve as additional revenue streams.

BENEFITS

- Provide jobs in manufacturing sector
- Recycle waste product
- Use rail infrastructure to bring in waste material from across the state/region
- Repurpose existing power plant site (Units 1 and 2)
- Revenue generation potential waste management and post-processing products
- Transport waste in empty coal trains as they return to Colstrip after delivering coal to market

CHALLENGES

- Need for state-driven policy to support this effort
- Unknown availability in proximity to Colstrip
- Cost of transporting waste to Colstrip
- Investment required to establish processing facility
- Regulations for waste transport, handling, and management
- Class I airshed downwind from Colstrip
- Build environmental group buy-in



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
3.2.1 Meet with MT DEQ Solid Waste division to understand policies and regulations		<input type="checkbox"/>
3.2.2 Meet with BNSF		<input type="checkbox"/>
3.2.3 Conduct a feasibility study		<input type="checkbox"/>
3.2.4 Identify successful process plant owners/operators nationally to pursue a project in Colstrip		<input type="checkbox"/>



GOAL 4: HIGH SKILLED TRADES

Diversification of jobs through the re-deployment of existing human resources to supply high-skill, high-wage jobs to offset potential loss of positions from Colstrip Units 1 and 2.



STRATEGY 4.1

Develop a highway construction staffing, supply, and service center.

Leverage the existing highly skilled workforce, and access to rail infrastructure and services to develop a highway construction company staffing and service center to better service the region's construction needs.

The construction industry is a year-round business in the United States and neighboring Canada. With the projected available workforce equipped with trade skills, engineering backgrounds, and project management expertise, Colstrip's workforce is a prime resource for the construction industry.

Additionally, rail infrastructure that currently exists paired with land availability created by the closing of Colstrip Units 1 and 2, opens the opportunity for developing material supply yards and staging areas for larger projects.

BENEFITS
<ul style="list-style-type: none"> ▪ Provide high-paying, in-demand jobs ▪ Employee labor, technical, and management job types ▪ Build union support through collaboration and partnerships ▪ Utilize available property ▪ Utilize existing infrastructure ▪ Federal funding is likely to be aimed at infrastructure development

CHALLENGES
<ul style="list-style-type: none"> ▪ Identifying investment to initiate business ▪ Securing owners/management to operate ▪ Securing contracts to ensure ongoing work ▪ Intense travel for workers ▪ Remote location ▪ Access to routine parts/supplies for industry repairs ▪ Conflicts/competes with current trades ▪ Training non-union jobs in a union town ▪ Similar operations exist in Forsyth, Miles City, and Billings



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
4.1.1 Inventory available resources: staffing, land, infrastructure, etc.		<input type="checkbox"/>
4.1.2 Meet with Montana Economic Developers Association, MT Department of Commerce, etc. to leverage state-wide resources that may be able to assist in attracting a potential owner and/or investors		<input type="checkbox"/>
4.1.3 Initiate conversations with potential investors and owner/operators to introduce them to the resources in Colstrip		<input type="checkbox"/>



GOAL 5: AGRICULTURE AND OUTDOOR RECREATION/TOURISM

Develop and market Colstrip’s exceptional agricultural and outdoor recreation opportunities to develop new business opportunities.



STRATEGY 5.1

Promote agri/eco/geo-tourism throughout Rosebud County.

Improve marketing capabilities of the agricultural and natural resources sector to develop agri/eco/geo-tourism in the region including:

- Coal mine reclamation tours.
- Add a campground and RV park.
- Mining and power plant museum.
- Grow Colstrip service industry through a farm to table restaurant.
- Geo-tourism, a growing global trend focused on the holistic geographical character of a location: environment, culture, heritage, and social well-being. This is an industry that is driving nature-based and adventure travel in combination with agri and eco-tourism, culture, and heritage travel.
 - > Retreat center with cabins and main facility for corporate, spiritual, veterans healing, outdoor culture, and Tribal culture retreats.
- Niche farming opportunities such as raspberry farming or greenhouses

BENEFITS
<ul style="list-style-type: none"> ▪ Repurpose currently underutilized land ▪ Support entrepreneurial activity ▪ Increase jobs in agriculture and tourism cluster ▪ Stimulate tourism activity in Rosebud County ▪ Marketing opportunity for other resources in Colstrip ▪ Market local airport for private access for guests in personal aircrafts

CHALLENGES
<ul style="list-style-type: none"> ▪ Regulations ▪ Shortage of eating establishments in the region ▪ Remote location for guests traveling in via main airport, i.e., Billings ▪ Lower wage jobs in comparison to mine or plant positions ▪ Seasonal tourism in Montana



Tasking/Action Items

	TASK	ASSIGNED TO	COMPLETE
5.1.1	Evaluate and develop a county-wide chamber of commerce		<input type="checkbox"/>
5.1.2	Gauge interested by holding focus groups for the various ideas outlined above, some can be grouped		<input type="checkbox"/>
5.1.3	Prioritize ideas to pursue based on focus group direction		<input type="checkbox"/>
5.1.4	Develop strategic partners (i.e., landowners, airport, travel agents, etc.)		<input type="checkbox"/>
5.1.5	Develop marketing campaign to attract consumers		<input type="checkbox"/>
5.1.6	Develop "Day Trip" brochures highlighting different points of attraction		<input type="checkbox"/>
5.1.7	Work with high school students to develop a Colstrip promotional magazine		<input type="checkbox"/>
5.1.8	Develop an impactful "This is Colstrip" 60-90 second video		<input type="checkbox"/>
5.1.1	Establish an industry education process for strategic partners or service providers		<input type="checkbox"/>
5.1.6	Develop a welcome packet for visitors to promote additional assets in the Colstrip area		<input type="checkbox"/>



STRATEGY 5.2

Grow businesses in the agricultural support services sector.

Attract businesses targeted at providing agricultural support services to sustain and grow farming and ranching operations in the region. Presently, there are no agricultural support service vendors in Colstrip. For parts and repairs, farmers are required to travel to Forsyth or Miles City. This not only lowers productivity, but also increases costs.

While a full farming implement may not be necessary in Colstrip, the highly skilled workforce and proximity to remote farms could make an appealing business case for a parts and repair facility or a traveling repair team.

BENEFITS
<ul style="list-style-type: none"> ▪ Improve agricultural productivity ▪ Increase jobs in agriculture cluster ▪ Support entrepreneurial activity

CHALLENGES
<ul style="list-style-type: none"> ▪ Competition with nearby implement dealers ▪ Capital necessary to start business ▪ Likely lower wages than mining and plant positions ▪ Land for business



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
5.2.1 Conduct focus groups with ag community to gauge intensity of the need for a parts and service facility		<input type="checkbox"/>
5.2.2 Meet with regional implement dealers to discuss the focus group findings and identify if any dealers are interested in a satellite facility		<input type="checkbox"/>
5.2.3 Identify local interest to own/operate a parts and service facility		<input type="checkbox"/>



STRATEGY 5.3

Develop a sugar beet processing facility.

Leverage area processing knowledge and existing plant sites to grow the value-added agricultural sector by developing a sugar beet processing facility.

Sugar beets are one of the top two sources of sugar (second only to sugar cane) and can only be stored for a short time after harvest before processing or sucrose deterioration occurs. Most sugar beets are grown in south central Montana; right in Colstrip’s backyard. In 2005, 1.1 million tons of sugar beets were harvested in Montana, which ranks the state 6th in the nation. While farmers rotate other crops with sugar beets to prevent the soil from becoming stagnant, farmers are on varying rotations to ensure a stable sugar beet supply.

BENEFITS
<ul style="list-style-type: none"> ▪ Increase value of agricultural products ▪ Increase jobs in agriculture cluster ▪ Use of existing industrial site for manufacturing facility ▪ Proximity to sugar beet producers ▪ Work with existing cooperative operating the Billings facility ▪ Partial replacement for anticipated jobs lost in closure of Plants 1 and 2

CHALLENGES
<ul style="list-style-type: none"> ▪ Competition with existing processing facilities ▪ Capital necessary to start business ▪ Likely lower wages than mining and plant positions ▪ Transportation of raw and finished products ▪ Access to and cost of water ▪ Odor issues ▪ Competition with facilities in Billings and Sidney ▪ Distance from growing area ▪ Perception of sugar in society, specifically beet sugar



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
5.3.1 Meet with Billings and Sidney facilities to determine their desire to operate a satellite or second full-scale plant in Colstrip		<input type="checkbox"/>
5.3.2 Conduct focus groups with regional sugar beet producers to measure their interest in a local processing facility		<input type="checkbox"/>
5.3.3 Conduct a feasibility study		<input type="checkbox"/>



GOAL 6: QUALITY OF LIFE

Focus on public placemaking initiatives to enhance Colstrip’s culture and economic attractiveness for the full life-cycle of residents.



STRATEGY 6.1

Develop a marketing campaign to attract young professionals and families to Colstrip.

While Colstrip’s median age is relatively young, it is important for the continued vitality of the community, that the community attract young professionals and families. Colstrip offers exceptional quality of life amenities to its residents. It is welcoming and beautiful area with outstanding schools, well-maintained infrastructure, excellent medical services, and developed outdoor recreation.



Jobs follow people, as people and businesses are drawn to great places. Clark Anderson with Community Builders noted, “70 percent of entrepreneurs started their business after locating to the community.”

Colstrip has a unique opportunity to enhance the image of a vibrant community in small town America by creating a community “core” that connects to the existing trail system. The community core could be utilized for community gathering, highlighting of in-home businesses, and events, and a focal point to encourage young professionals to start a business, raise a family, and grow a career. This concept can be tested and grown slowly by designating the intended “core” area as a pop-up commercial and community activity space to build interest in the area before fully pursuing development of the “core.”

BENEFITS
<ul style="list-style-type: none"> ▪ Support entrepreneurial activity ▪ Attract long-term residents ▪ Partnership between public and industry ▪ Positive promotion of Colstrip ▪ Ensure ongoing support of community business, medical facilities, and education system ▪ Safest community in Montana (2015) as ranked the FBI Crime Reports and www.safewise.com

CHALLENGES
<ul style="list-style-type: none"> ▪ Remote location ▪ Limited area for development ▪ History of legal action on property transactions ▪ Current decreasing home values ▪ Need jobs to support attraction



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
6.1.1 Establish community working group with industry partners		<input type="checkbox"/>
6.1.2 Develop a public relations campaign and set of positive community/cultural news stories to be released to the media over a set time frame		<input type="checkbox"/>
6.1.3 Develop and maintain a web and social media presence		<input type="checkbox"/>
6.1.4 Develop a series of mini-video documentaries of the benefits to life in Colstrip		<input type="checkbox"/>



STRATEGY 6.2

Provide housing and transportation options for retired and disabled members of the community.

Support the mobility of the retired and disabled populations (as well as the general public) through development a public transit mechanism that connects Colstrip citizens to neighboring urban centers for services and amenities.

Additionally, in an extended effort to develop Colstrip as a place to call home for the entire life cycle of residents, expand retirement community opportunities, including expanding assisted living and senior housing.

BENEFITS
<ul style="list-style-type: none"> ▪ Attract and retain long-term residents ▪ Attract retired residents (retirement community) ▪ Partnership between public and industry ▪ Ensure ongoing support of community business, medical facilities, and education system

CHALLENGES
<ul style="list-style-type: none"> ▪ Remote location ▪ Limited transportation options ▪ Prices may be prohibitive



Tasking/Action Items

TASK	ASSIGNED TO	COMPLETE
6.2.1 Conduct a focus group with area seniors to determine current or near-future interest		<input type="checkbox"/>
6.2.2 Meet with local health care community to gather their input on this topic		<input type="checkbox"/>
6.2.3 Review surrounding communities' transit plans, policies, and funding tools to determine if Colstrip could develop a partnership with them by expanding services regionally		<input type="checkbox"/>
6.2.4 Partner with Montana Department of Transportation to identify public transit options		<input type="checkbox"/>

■ IMPLEMENTATION PLAN

Plans are only as good as the actions they produce. Too often, communities invest significant time, money, and resources into plans that get filed away and never used. The solution to the economic shifts in Colstrip will need to be ongoing and multi-faceted with active community, regional, state, and industry involvement. It is suggested to identify a champion for each goal and to establish a stakeholder working group (three to five people) for each strategy.

In an effort to make this document as user-friendly as possible, the implementation plan has been layered throughout each goal section. Following each strategy there is a tasking/activity chart that outlines initial tasks to be completed, an area for assigning each task to a working group, and a completed column to allow assigned groups to document their progress. The tasking/activity charts are useful when holding quarterly implementation reviews with the proposed community-driven stakeholder working groups.

Additionally, an accountability matrix has been developed to outline short and long-term goals in this report. This is discussed in further detail below.

ACCOUNTABILITY MATRIX

The accountability matrix (on the following page) is designed to aid communities in identifying priority goals and tasks and assigning leaders and work groups to champion those. In addition, the matrix provides measurable outcomes and a timeline to assure that people doing the work can see progress and hold each other accountable for outcomes in a timely manner. This tool further aids city, county, and state officials as well as economic development staff in monitoring progress of those initiatives in which they have made investments.

CLUSTER IDENTIFICATION

Clusters are key organizational units for understanding an improving performance of regional economies. As goals in this plan look to diversify Colstrip's economy, it is important to understand which clusters are being built in to this diversification strategy. In the accountability matrix on the following page, you will see a cluster(s) listed by each goal. These tags identify the primary cluster(s) tied to each goal.

SHORT-TERM VS LONG-TERM

To be successful and maintain momentum, this diversification strategy has been designed with short-term and long-term timeframes in mind.



Short-term strategies are designed for a 6 to 18-month timeframe from start to completion, while some are intended to be ongoing. It is likely that short-term initiatives are the lower cost, lower risk strategies.



Long-term strategies are intended to have a 3 to 5+ year timeframe and will likely require significant resources to deploy. These more complete initiatives will generally have a greater economic impact on the region. Long-term strategies can be started at any point (immediately even), but large results should not be expected for several years.

GOAL	IMPACTED CLUSTERS	STRATEGY	ASSIGNED TO (CHAMPION)	TIMELINE	STATUS
Clean Coal and Renewable Technology	Mining, Manufacturing, Utilities, Education	Continue to develop and promote the positive marketing campaign for coal mining and power generation.			
		Pilot and implement full-scale emerging clean coal industry alternatives.			
		Explore opportunities for converting coal into petroleum products.			
		Pilot a hydrogen fuel production facility.			
		Foster renewable energy potential.			
		Partner with a regional, accredited trade school.			
High Tech Industry and Entrepreneurship	Telecommunications, Manufacturing, Education	Expand broadband services to increase economic, educational and innovation capacity.			
		Attract technology-based companies to locate in Colstrip.			
		Establish a multi-functional professional facility.			
Manufacturing	Manufacturing, Wholesale Trade, Management	Facilitate development of a tire pelletizing plant.			
		Foster development of a municipal waste processing facility.			
High Skilled Trades	Education, Construction, Professional and Technical Services, Management	Develop a highway construction staffing, supply and service center.			

GOAL	IMPACTED CLUSTERS	STRATEGY	ASSIGNED TO (CHAMPION)	TIMELINE	STATUS
Agriculture and Outdoor Recreation/Tourism	Agriculture, Manufacturing, Management, Arts/Entertainment/Recreation	Promote agri/eco/geo-tourism throughout Rosebud County.			
		Grow businesses in the agricultural support services sector.			
		Develop a sugar beet processing facility.			
Quality of Life	Management, Professional Services, Transportation, Arts/Entertainment/Recreation	Develop a marketing campaign to attract young professionals and families to Colstrip.			
		Provide housing and transportation options for retired and disabled members of the community.			

■ PERFORMANCE/EVALUATION

Diversification planning and developing a layered implementation plan are great action steps to drive economic vitality. As Colstrip further vets and implements strategies outlined in this plan, it is important that the community has a baseline to measure future impacts or accomplishments.

In this section, 2017 statistics relating to Colstrip's employment, housing market, taxable valuation, and school enrollment are documented. Annually SEMDC will track the current year's statistics to determine trends in each data set. These measures will allow Colstrip to assess effectiveness of their efforts and reallocate resources as necessary.

As discussed in the implementation plan, this diversification is a blend of short and long-term strategies. Some efforts will produce measurable results immediately, others may take several years to produce a significant change.

EMPLOYMENT

Colstrip's highly educated and skilled labor force is its most valuable asset. Of the reporting employers, Colstrip Power Plant leads the employment count with 388. It is important to note that Talen Energy brings in 400 to 500 additional temporary overhaul workers each spring. Colstrip Parks and Recreation District also hires more than 80 seasonal employees each summer.

Working-age professionals are important to the community as they are the labor force that keeps the economy moving forward. As diversification efforts are implemented, this will be a key baseline to continue to monitor and measure against.

Colstrip Employment Statistics

April 2017

Estimated Top 12 Employers (by employee count)

BUSINESS	FTE COUNT
Colstrip Power Plants	388
Western Energy	373
Rosebud County	128
Colstrip School District	125
Rosebud Power Plant	42
City of Colstrip	28
Colstrip Medical Center	17.5
Colstrip Electrical Inc. (CEI)	16
Colstrip Parks & Recreation District	8
1st Interstate Bank	7.5
Rosebud Foods	Not reported
Town Pump	Not reported

Housing

Data in this section examines active real estate listings, standard home value, and time of a property on the market. While a majority of the active listings are for single-family homes, there are open lots available as well as mobile homes.

The current trend rising to the surface for home values and time on market is a decreasing one. The period of 2009 to early 2016 was a phase of steady growth in the housing market. In early 2016 a downward trend became visible. It is speculated in the community that decreasing values are a result of BNSF laying off workers in January 2016, retiring residents are willing to take a lower price to move their home more quickly, and there are only two appraisers in the area, that may be appraising lower than expected.

	PERFORMANCE/ EVALUATION CRITERIA	APRIL 2017 LEVELS	COMMENTS
Housing	Active Listings	30	The 30 listings include: <ul style="list-style-type: none"> ▪ 5 empty lots ▪ 5 mobile homes ▪ 3-4 sale by owner ▪ remainder are single-family homes
	Home Value	\$150,000	Homes are selling around or under \$150,000. From 2006 to 2009 home values were steadily on the rise, and from 2009 to 2016 these values remained relatively constant. In January 2016, prices began to decline and are continuing to do so today.
	Time on Market	Varies	The market has slowed considerably in the past year. Five years ago (2012), there were an average of 10 to 12 homes on the market at any given time with 1 to 2 sold per month. Since September of 2016, sales have looked as follows: <ul style="list-style-type: none"> ▪ September 2016 – 1 ▪ December 2016 – 2 ▪ March 2017 – 1
	Realtors in Colstrip	1	In 2005 there were four realtors in Colstrip, currently, there is only one.

TAXABLE VALUATIONS

There are five taxing districts in Colstrip: Rosebud County, the City of Colstrip, Colstrip Medical, Colstrip Parks & Recreation District, and Colstrip School. Taxable valuations have not been entirely stable since 2011 as noted in fiscal year 2015, a 21% decrease occurred as the Colstrip Power Plant owners devalued their power plants. The State of Montana also changed from a six-year assessment period to a two-year assessment period in 2016. Obviously, a stable or slightly growing economy should result in increased taxable valuations, which is what Colstrip hopes to accomplish through implementation of this diversification strategy.

	PERFORMANCE/ EVALUATION CRITERIA	APRIL 2017 LEVELS	COMMENTS
Taxable Valuations (2016)	Rosebud County	\$91,801,153	<ul style="list-style-type: none"> ▪ 2011 – \$96,326,199 ▪ 2012 – \$104,061,350 ▪ 2013 – \$98,977,428 ▪ 2014 – \$90,333,992 ▪ 2015 – \$87,678,331
	Colstrip	\$59,270,841	<ul style="list-style-type: none"> ▪ 2011 – \$73,733,281 ▪ 2012 – \$80,507,262 ▪ 2013 – \$75,524,906 ▪ 2014 – \$59,732,709 ▪ 2015 – \$58,425,351
	Colstrip Medical	\$78,658,770	<ul style="list-style-type: none"> ▪ 2011 – \$83,739,751 ▪ 2012 – \$91,357,790 ▪ 2013 – \$86,054,396 ▪ 2014 – \$78,089,343 ▪ 2015 – \$75,079,473
	Colstrip Parks & Recreation District	\$78,658,770	<ul style="list-style-type: none"> ▪ 2011 – \$83,739,751 ▪ 2012 – \$91,357,790 ▪ 2013 – \$86,054,396 ▪ 2014 – \$78,089,343 ▪ 2015 – \$75,079,473
	Colstrip School	\$81,329,815	2011 to 2015 data not provided

SCHOOL ENROLLMENT

Strong school enrollment reflects that younger, working-age professionals are locating to Colstrip. As they raise their children in the opportunity and recreation-rich community of Colstrip, there is an increased likelihood of retaining the next generation.

Additionally, the school provides 125 jobs locally, making them one of the top 12 employers (by staff count) in Colstrip.

	PERFORMANCE/ EVALUATION CRITERIA	APRIL 2017 LEVELS	COMMENTS
School Enrollment	Total	599	Historical Total Enrollment <ul style="list-style-type: none"> ▪ 2010 – 620 ▪ 2011 – 638 ▪ 2012 – 621 ▪ 2013 – 599 ▪ 2014 – 602
	K-5	275	
	Middle School	141	
	High School	183	

■ ACKNOWLEDGEMENTS

The development of this economic diversification strategy was guided by the Colstrip Economic Diversification Strategy lead organizations, the City of Colstrip, and Southeastern Montana Development Corporation (SEMDC), with a broad cross section of regional stakeholders, industry partners, business owners, and organizations working with key issues related to economic development. These organizations would like to extend their gratitude to all business leaders and community members who participated in the 2017 Colstrip Economic Diversification Strategy development process. The collaborative effort shown in the strategy's development provides inspiration to the planning group as they pursue the newly outlined goals.

Planning Organization and Strategy Participants:

Lead Organizations:

City of Colstrip

Southeastern Montana Development Corporation (SEMDC)

Strategy Participants:

Colstrip City Council

Rosebud County Commission

Federal Congressional delegation staff

State elected officials

Montana Governor's Office of Economic Development

Rosebud Power Plant

Westmoreland Coal Company

Colstrip United

Representatives of institutions of higher education

Minority and labor groups

Small business community

Private individuals

The Colstrip Economic Diversification Strategy was facilitated and analyzed by:



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Public and Stakeholder Meeting Analysis Report:

2017 Colstrip Economic Diversification Strategy

Prepared for:

Southeastern Montana Economic Development Corporation

December 2016





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SWOT Analysis

Introduction

A SWOT (Strengths, Weaknesses, Opportunities & Threats) analysis is a simple tool to help groups, agencies and communities verbalize the internal (Strengths and Weaknesses) and external (Opportunities and Threats) factors impacting the functionality and success of an agency, collaborative group of participating agencies or community. It is one of the most commonly used business analysis and decision making tools and assists in building strengths, minimizing weaknesses, seizing opportunities and counteracting threats.

This report is a part of the 2017 Colstrip Economic Diversification Strategy process, and summarizes data and input gathered from multiple individuals and organizations interested in ensuring the Colstrip economy remains strong and reliable despite identified threats to current economic drivers.

It is important to acknowledge that although a SWOT analysis is an excellent and low cost tool for understanding overall functionality, outlining dynamic, and identifying potential gaps in information and/or process, it is also limited in scope and application. A SWOT analysis is raw data. The corresponding SWOT report will not prioritize issues, provide solutions, offer alternatives, or outline tasks necessary to address any identified strengths, weaknesses, opportunities or threats. As a stand-alone summary report, it should be utilized within that context.

SWOT Participants

On December 14, 2016, KLJ facilitated a SWOT analysis meeting in Colstrip that engaged various Colstrip residents, community leaders and Southeastern Montana Economic Development Corporation (SEMDC) staff. Participating parties included:

- Government
 - Colstrip City Council
 - Rosebud County Commission
- Economic Development Organizations
 - Southeastern Montana Economic Development Corporation
- Industry Leadership/Business
 - Colstrip Power Plant
 - Westmoreland Coal Company
 - Colstrip United



SWOT Analysis Summary Table

Strengths	Weaknesses
<ul style="list-style-type: none"> • Welcoming community (low crime rates, good educational system, good community facilities and low cost of living) • Existing useable infrastructure (rail, water, transmission and gas lines) • Existing highly skilled workforce • Significant outdoor recreation access • Access to a variety of natural resources (water, wind, coal, agriculture) • Access to daily healthcare needs • Numerous and diverse home based businesses • County airport access • Diverse and unique tax districts/good tax base • Engaged city & county governments 	<ul style="list-style-type: none"> • Broadband/Internet issues (speed) • Not a traditional “main street” town (no downtown/few business fronts) • Not an interstate community: remote • Lack of urban amenities and a travel culture that doesn’t support local business • One horse town (economically): No diversity of business/employers • Diminishing real estate values • Lack of state/federal support • No solid retirement infrastructure (hospital, assisted living, etc...) • Water rights • Limited opportunities for growth (land is available but above market rates) • Lack of community vision/direction: Uncertainty
Opportunities	Threats
<ul style="list-style-type: none"> • Clean coal and other related technologies • New political players/drivers • Isabel Bills Learning Center Building • Existing infrastructure (rail, power and gas lines, water) • Access to natural resources (water, wind, coal, agricultural lands) and related diversified energy opportunities • Increased manufacturing opportunities • Workforce training opportunities (existing highly technical/trained workforce and on-the-job training opportunities) • Potential ongoing or one-time investment by current plant owners 	<ul style="list-style-type: none"> • Loss of residents and related loss of tax base, customers to local businesses and general quality of life • Aging workforce • Divesting of responsibility on the part of the Plant owners • Real estate value declining • Loss of electricity capacity when Units 1 and 2 are closed • Over-reaching environmental legislation • Low investment in research into clean coal and related technologies • Low natural gas prices • Negative media attention: Public perception of coal • Lack of water rights • Uncertainty of what’s next



Strengths

The following are those components and factors related to Colstrip as a whole and specifically economic indicators and development believed to be assets, performing well, and/or meeting expectations.

- Welcoming community atmosphere with great “perks,” low crime rates, exceptional educational system, good community facilities and low cost of living
- Close-knit community with genuine and caring people
- Colstrip Parks and Recreation District: Numerous parks and multi-modal transportation paths (bike paths) connecting parks, the lakes and the community as a whole): Community accessibility
- Existing power transmission lines
- Existing skilled workforce with diversified educational levels and types
- Access to water and potentially to water rights
- Excellent overall infrastructure both for the community (water, wastewater, streets, roads, sidewalks, parks, etc...) and related to the Plant (rail, power lines, gas lines, water, etc...)
- Solid and engaged City and County government officials
- Great town lay-out (family-friendly)
- Access to daily healthcare needs (no hospital, but an “advanced” clinic with numerous local services)
- Easy access to outdoor recreation (hunting, fishing, hiking, the lake in town etc...)
- Outside interest/attention to Colstrip and ensuring economic sustainability
- A variety of diverse home based businesses
- Strong tax base and established “unique” taxing districts to maintain community infrastructure/services
- Access to a variety of natural resources (water, wind, coal, agricultural)
- County airport (for access)

Strengths are defined as internal in that they are those factors within the control of the group members.

Weaknesses

The following are components and factors related to Colstrip as a whole and specifically economic indicators, believed to be a disadvantage, problem or current gap in services, data, communication or aspect of community functionality adversely impacting economic growth/development.

- The existing power transmission lines don't go east (only west)
- Broadband/internet issues (speed issues)
- Not a traditional “main street” town: No active storefront business district (downtown)
- Remote location: Not an interstate community and some distance from urban area
- Diminishing home values
- Lack of resources to make significant changes

Weaknesses are defined as internal in that they are those factors within the control of the group members.



- Lack of community vision outside the Plant and Mine economic mentality: Untapped resources (great minds in the community not getting involved)
- Very few employers/employment opportunities outside the Plant and the mine (one horse town)
- Limited spaces for opening of new businesses/expansion of businesses
- Lack of “cultural” opportunities or urban amenities (retail, restaurant and services): Major purchases have to be done in the closest urban center (Billings)
- “New” community (only recently incorporated and not established)
- Unstable future
- Lack of support from national and sometimes state government
- No solid “retirement community” infrastructure (i.e. hospital, large/one-stop-shopping retail, assisted living)
- An established culture of travel (residents habitually travel to meet their needs and may or may not be supportive of local business even if it were there): No incentives for new business
- Water rights (the power plant currently owns the water rights and the community leases them)
- Limited area for community growth (difficult to purchase property in the surrounding area as prices are far above market value for the area)

Opportunities

The following are those components and factors related to Colstrip as a whole and specifically economic indicators and development believed to be potential opportunities to the economic development of the community. External opportunities include trends, technologies and funding that have the potential of benefitting the work being done.

Opportunities are defined as external in that they are those factors that are not necessarily in the control of the group providing the input.

- Investment by Plant owners in clean coal technology: Retrofitting Units 3 and 4
- New political drivers at play since the election in November
- Clean coal technology in general and its potential application in Colstrip
- Development of a public transportation system linking Colstrip to Billings and/or Miles City
- Empty school building (Isabel Bills Learning Center)
- Community belief in the ability to make a difference
- Access to coal (Westmoreland Mines)
- New technology could find a “start” in Colstrip
- Existing infrastructure (including Plant equipment, rail, water, gas lines and power transmission lines)
- Workforce training opportunities (existing mining, power plant and related skilled labor opportunities for on-the-job learning)
- Existing highly skilled workforce
- Colstrip as a retirement community/hub
- Diversified energy opportunities (Carbon capture, Geothermal, wind)
- Chances to add more technology into the existing power plant structure



- Colstrip as a leader in responsible and efficient energy production that would offer the opportunity for continued good paying jobs
- Increased manufacturing opportunities
- Opportunities to employ more people in diverse industry
- Retail “core” opportunities (to encourage people to visit and stay): Creation of a town square
- Colstrip’s community has a great “lay out” with opportunity for diversity and growth
- Harness current positive media attention
- Available land in close (and far) proximity to the existing community
- Build on access to recreation/tourism (i.e. creation of a recreational vehicle dealership)
- “Place making” - Take advantage of Colstrip as a “Prairie Oasis”
- Colstrip is a newly incorporated community giving it more flexibility and innovation than older, more established communities

Threats

The following are those components and factors related to Colstrip as a whole and specifically economic indicators and development believed to be a potential problem or barrier to the ongoing economic prosperity and/or growth of the community. External threats include trends, policies, or changes in funding that have the potential of becoming a barrier or hindering the ongoing functionality of the group/community and the work being done.

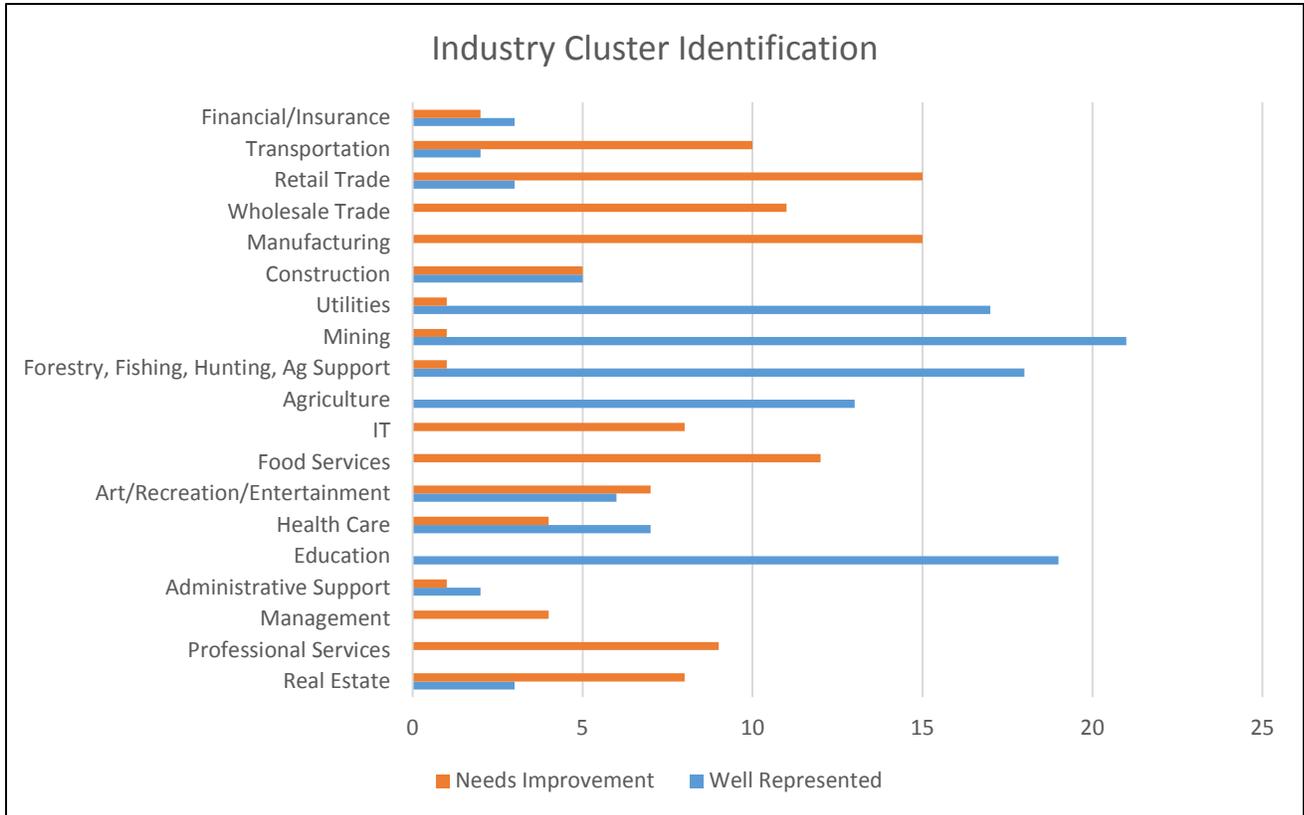
Threats are defined as external in that they are those factors that are not necessarily in the control of the group providing the input.

- Loss of residents/people in the community after the closure of Power Plant units 1 and 2: Related loss of tax base, customers to local businesses and general quality of life
- Aging workforce: High percentage of current Colstrip workforce nearing retirement
- Divesting of responsibility on the part of the Plant owners
- Inability to sell real estate when/if the Plant and/or mines close (Real estate value declines)
- Loss of electricity capacity when Units 1 and 2 are closed (What happens to the power grid?)
- Over-reaching environmental legislation: Government overreach in general
- Low investment in research into clean coal and related technologies
- Fracking (creating low natural gas prices)
- Negative media attention (as compared to very little positive media attention): Public perception of coal
- Water rights (Power plant currently owns water rights)
- Uncertainty of what’s next when Units 1 and 2 close and related uncertainty as to the exact plan for timing of the closure and “next steps.”



Economic Cluster Identification

Following the group SWOT analysis, participants were provided a list of economic industry clusters, as outlined by the Economic Development Administration in conjunction with guidelines for development of Community Economic Development Strategies (CEDs). Participants were provided “voting dots” and asked to use these to identify those economic industries they felt were well represented in Colstrip and also those industries they felt needed improvement. The following graph represents the results of that analysis:





Strategic Visioning & Project Ideas for Consideration

On December 15, 2016, a second meeting was held. This second meeting was by invitation only and included some of the same participants from the previous evening's meeting as well as new participants representing key city, county, state and federal government, business and leadership roles. The purpose of the second meeting was to review previously identified SWOT information as well as economic industry clusters and to utilize this information to begin formulating potential strategic initiatives and related projects.

Participants were divided into small groups, told to select five (5) of the identified industry clusters and begin formulating potential project ideas. Participants were allowed to select whatever industries they desired to discuss and explore without concern for whether or not that industry had previously been identified as "well represented" or "needs improvement." They were given a set amount of time for each cluster they selected and specifically instructed to only concern themselves with possibilities and not logistics. In the purest application, participants were asked to utilize their "5 year old" thinking and alleviate phrases such as "we can't," or "this would work except..." The second night's meeting yielded the outcomes outlined in the following section.

Identified Economic Clusters and Related Projects

The chart below documents the strategic ideas or suggested projects, categorized by economic cluster. To the left of each idea/project, are the votes garnered for each concept. The voting was done as an initial ranking tool to capture the general direction of the meeting participants.

IDENTIFIED ECONOMIC CLUSTER	VOTES GARNERED
<u>Professional Services</u>	
Office Space	None
Lawyers	None
Engineering & Environmental (professionals already in the community)	(2)
Look at (and fill) regional needs	None
<u>Education</u>	
Research Development (partnership with Miles Community College)	(2)
Isabel Bills Learning Center Building - Utilize as an emergency medical tech training center	(7)
Military/Explosives training center	(1)
Create a local college based in trades/union crafts/IT	(11)
<u>Health Care</u>	
Expand Occupational Health Services	(1)
Create/expand retirement community opportunities	
• Including establishing/expanding assisted living & senior housing	(13)
Highlight parks & recreation and outdoor lifestyle the community offers	(2)
Maintain/Stabilize the clinic tax district	None
<u>Art/Recreation/Entertainment</u>	
Build/Establish a campground	(6)
Trophy Farms (Elk/Deer)	(5)



IT

Broadband development (consistent access & speed)	(9)
Fiber Optic Line Development (line already exists, just need development)	(8)
Internet Based Business development and corresponding maintenance (computer techs)	(3)
Server farm	(5)

Agriculture

Agricultural Support Services (Tractors and related equipment)	(7)
No till cover crops (alfalfa/Cattle Grazing)	(1)
Christmas Tree farm	(1)
Tera-forming and permaculture	(1)
Raspberry farms	(1)
Marijuana production/grow	(1)
Develop/grow pulse crops	(6)

Mining

Reclamation	
Positive marketing of products already sustaining the community (coal/power)	(7)
Recycling tires from the mine/plant as road construction materials	(4)
Enhancement of earth moving technology	None
Upgrading current facilities (Activated Carbon/Coal Repurposing and/or Syncow Site)	(1)
Environmental Enhancement services	(1)
Coal Research & Development Utilization	(6)
Conversion of coal into petroleum products	(7)

Utilities

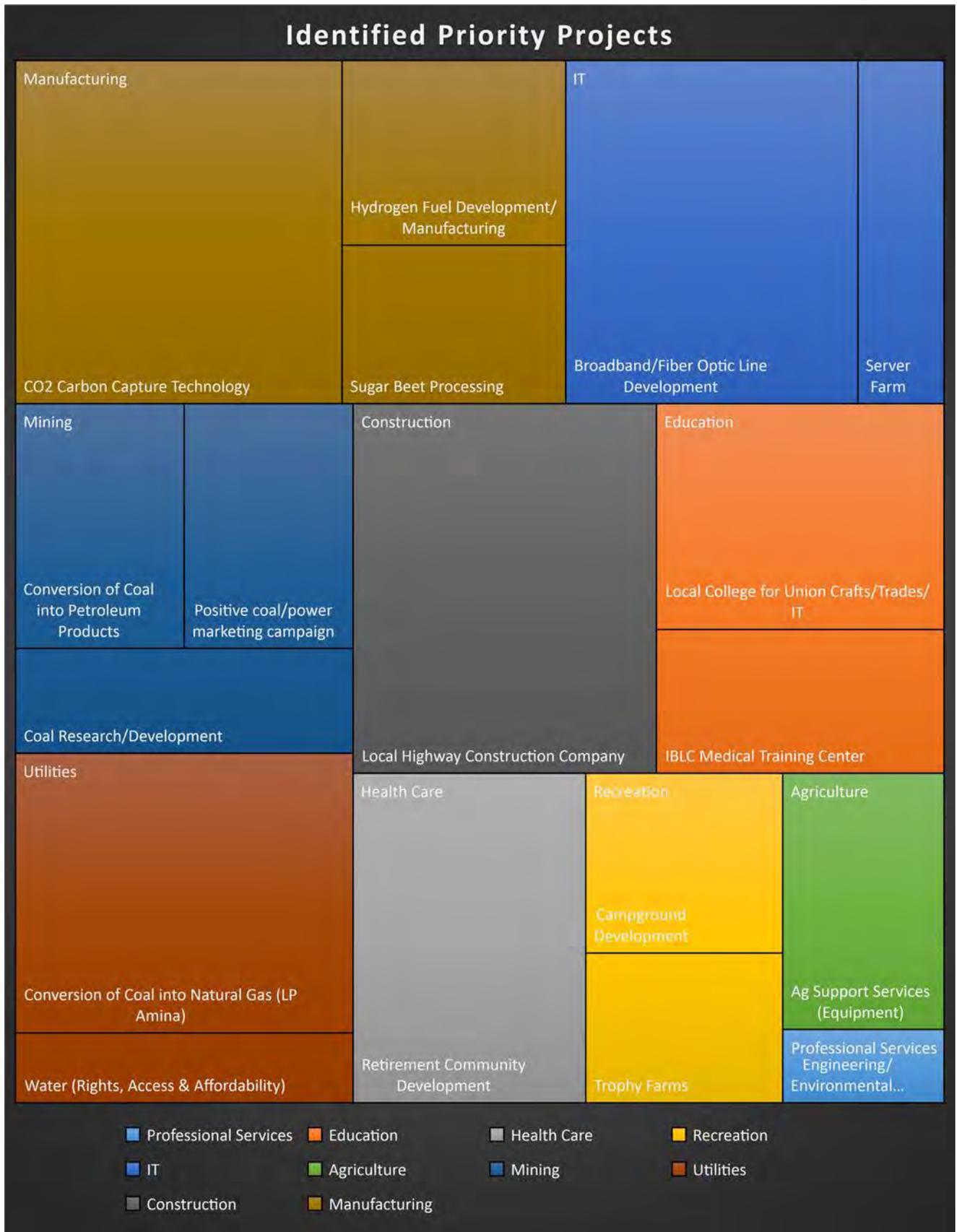
Water (ensuring rights, access and affordability)	(4)
Continued infrastructure investment	None
Take advantage of capacity opportunities (transmission lines)	(3)
Conversion of Coal to natural gas (LP Amina)	(16)
Wind farms	(2)
Geothermal	(3)

Construction

Enhanced Highway Construction capacity/work crews/construction company center	(19)
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Manufacturing

Microbrewery utilizing CO2	None
Develop and utilize CO2 Carbon Capture technology	(19)
Land Reclamation experiment (requiring regulatory buy-in)	(2)
Use of the Isabel Bills Learning Center as a manufacturing site	(1)
Take advantage of rail transport opportunities	(2)
Hydrogen Fuel development/manufacturing	(7)
Aircraft manufacturing center	None
Steel manufacturing (value added)	(1)
Manufacturing/distribution of military laser weaponry	(1)
Use of fly ash for manufacturing of bricks/building materials	None
Sugar beet factory/processing	(6)



■ APPENDIX B – RESOURCES

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