



REPORT & RECOMMENDATIONS

For

The Best Place Project Missoula, MT

April 2010

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EXECUTIVE SUMMARY

Missoula and Missoula County comprise a vibrant region that offers residents and businesses a variety of assets and opportunities. An excellent quality of life, state of the art healthcare, quality schools, the University of Montana and a stable and diverse economy are just some of the attributes that make the greater Missoula area a great place to live, work, and raise a family. But despite these advantages, most would agree that there is far greater potential for economic growth and prosperity. Perceiving a need for a more aggressive approach to economic development, a group of business and community leaders, led by Mayor John Engen, have proposed *The Best Place Project* – a multi-year, public / private partnership intended to attract and retain jobs and companies in order to improve Missoula's economic future.

National Community Development Services, Inc. (NCDS) was retained to conduct a feasibility analysis and goal assessment for The Best Place Project to determine the broader community's opinion's about the proposed economic development effort and to gauge the potential level of financial support for its implementation. NCDS conducted 85 confidential interviews with business and community leaders representing 73 organizations, between March 15 and April 8, 2010. Using a carefully designed questionnaire (Exhibit D), the interviews attempted to elicit candid opinions and feedback regarding:

- Local economic conditions and Missoula's assets and weaknesses for economic development.
- Perceptions of the area's economic development activities and efforts to attract new businesses and help existing businesses expand and thrive, and opinions about how to best measure economic development success.
- Perception of the proposed *Missoula Best Place Project* strategies.
- Potential levels of financial support for this initiative.
- Candidates for campaign leadership.
- Other issues that could influence campaign outcomes.

The following is a brief summary of the most pertinent findings and recommendations:

➤ ***Healthy appetite for growth and development***

Missoula area business leaders (as represented by the interviewees) have a strong desire for economic growth and development. Many believe that the area has limited itself with respect to the kinds of industries and jobs it has historically pursued and would like to see strategies that would bring economic growth in the form of higher paying jobs and growth oriented industries and companies. Encouragingly, most appear to believe that the community has certain assets that should allow it to achieve the desired growth and prosperity.

To most Missoulians, economic growth has historically been of lesser concern than quality of life and quality of place issues. While the beauty, recreational opportunities, and “pace” that characterize the region are still paramount, recent plant closures and the bleak national economic outlook have acutely raised the community’s awareness and urgency for economic growth and sustainability. The majority of interviewees recognize that the people and paychecks associated with primary industries and employers create the demand for the many retail, entertainment, and service businesses that so many residents appreciate or depend on for their own livelihood. Additionally, there is unanimous agreement that many residents (especially recent UM graduates) are underemployed and that they will eventually leave for greener economic pastures. This desire for more career opportunities for “our best and brightest” applies especially to interviewees’ own children and grandchildren. For all these reasons, **the idea of a more aggressive and proactive approach to economic development is universally endorsed among our interview sample.**

➤ ***Reaction to “the plan”***

The core strategies proposed in the Best Place Project draft Prospectus (Exhibit B) – new business recruitment; existing business retention & expansion; community and asset development – represent a proven, straightforward approach to economic development. Not surprisingly, **there is general consensus among the interviewees that these strategies make sense and should be pursued.** The initiative does need to be more fully developed and vetted, as many potential investors will now want to see more tactical / implementation detail. Other strategies may also need to be considered. Many interviewees suggested a desire to see this initiative foster a more entrepreneurial culture in Missoula and provide support and resources to both create and attract startup companies. Additionally, the idea of an “opportunity fund” to help attract and retain certain companies was also frequently mentioned.

Additional program refinement is almost always necessary to ensure maximum financial support. NCDS believes the general approach of the proposed plan is “on target,” and that necessary modifications can and will be made with an appropriate process of engagement and discussion.

➤ ***Organizational Structure: THE key determinant***

During our discussions with business and community leaders, it became clear that Missoula’s existing community and economic development organizations are, at best, “disconnected.” At worst (and according to several interviewees), some of them are “dysfunctional.” It is beyond the scope of our assignment to make an independent value judgment about the effectiveness of any of these organizations, nor did we pursue data and information that would allow us to objectively evaluate their missions, leadership, and performance. However, it is clear that many of the constituents of these organizations (including board members) have questions about the specific role and value to the community of the existing private organizations and public agencies that claim community and

economic development as part of their mission. Of even greater concern is the assertion of many that these organizations not only DO NOT act in a coordinated fashion toward a shared community vision, but that they are often at odds, or in competition with each other. While there is a strong desire for a more effective and competent function and approach for community and economic development, there is an equally strong aversion to the idea of creating yet another organization (especially if it leaves the others intact).

The bottom line is that **the concept, premise, and strategic approach of the Best Place Project are widely endorsed and supported, but requisite thought and care must be given to how and by whom it can best be implemented.** It will be important to consider existing organizations' missions, structures, leadership, staff, and funding mechanisms in order to determine the most desirable and viable structure. While this is not a "fundraising" task per se, the process and outcome will substantially influence fundraising potential. Accordingly, NCDS will propose a campaign timeline and scope that includes program and organizational refinement as its critical first task.

At this time, NCDS is not in a position to recommend a specific solution to this problem. Garner Economics may do so in its report. Our assertion is that the decision should only be made after engaging leaders, stakeholders, and major investors in a process to assess and deliberate various options and reaching consensus on the organizational structure that will best serve the community and its economic stakeholders.

➤ ***Need to Overcome Perception of Anti-Business Climate***

As a whole, the business community feels that Missoula public officials (in particular the city council and regulatory agencies such as Office of Planning and Grants) are tremendously anti-business, and create a hostile rather than fostering environment for business to succeed. Clearly, in order for business attraction, expansion, and retention to succeed, elected officials and municipal staff must assume and promote a platform that is perceived as business friendly and facilitating – not obstructionist. **Whether accurate or not, many in the business community contend that local government is often an impediment to business growth and expansion.** One of the inherent values of creating a true public/private partnership for economic development is that it encourages open and constructive discussion and resolution of these kinds of issues.

➤ ***Funding Capacity – Achievable Goal***

The tested goal of \$3.5 million over five years *might* be achievable. But because of volatile economic conditions, the novelty of this approach, and the need for a definitive "win," **we recommend that a \$3.2 million campaign to fund the Missoula Best Place Project be launched immediately.** Interviewees' indications of likely levels of support, combined with the other positive findings support this goal and give us a high degree of confidence in reaching it. We anticipate, even with the public sector providing leadership investments, the majority of funding will come from private sector sources. We recommend a

campaign targeting approximately one third of the goal from public sources, which will serve as leverage and motivation for the private sector to supply the remaining two thirds.

Effective implementation of our recommendations and careful attention to the primary issues identified in this report will be necessary to reach and exceed the recommended goal. Correctly resolving the above mentioned organization concerns is important not only because of the message it will send to leaders and stakeholders about the viability of the effort, but also because of public and private funding that is already committed to other organizations and the potential for some investors to “re-apportion” existing dues and membership fees to the *Best Place Project*.

Ten months will be required to implement our recommendations and to complete the requisite number of face to face solicitations.

I. INTRODUCTION

Background

Missoula's peerless natural beauty, its vibrant downtown, its first-class public teaching and research university, its world-class medical centers, and active, intelligent, engaged citizenry all combine to make this *the best place* in the Western United States to do business. But despite our many attributes and advantages, our local economy is not as vibrant and dynamic as it can and should be. Moreover, other communities in the region and across the country are outperforming us in the competition for jobs, companies, and workers that will fuel future economic growth and prosperity. It's time to change that.

The Best Place Project is a proposed new approach to economic development that will stimulate desirable growth that complements our unique assets and livability, increase community wealth and ensure good job and career opportunities for current and future generations. The hallmarks of this initiative will be strong cooperation between public and private stakeholders; performance measurement and accountability; focused, aggressive efforts rooted in proven best practices; and emphasis on "best fit" industries, companies, and jobs that enhance our community and add value without jeopardizing all that we love about this place. This document is intended to provide a general overview of this initiative to community leaders and economic stakeholders so that we can gather feedback and input for further refinement and improvement, and gauge the level of enthusiasm and support for its implementation.

The Best Place Project is conceived as a public-private partnership, funded and governed by key stakeholders and beneficiaries of economic development and wealth creation. We envision a stand-alone organization with dedicated staff and resources that will work collaboratively with organizations and agencies that have separate, but interconnected missions, such as MAEDC, Chamber of Commerce, Missoula Downtown Association, Convention and Visitors Bureau, and others. ***The Best Place Project*** will be laser focused on attracting, retaining, and growing jobs and companies through three core strategies.

National Community Development Services, Inc. was retained to assist in obtaining input and feedback on the plan being proposed for the future. From the period of March 15, 2010 through April 8, 2010, NCDS conducted 85 confidential interviews with 72 firms and gathered substantial feedback regarding the potential support for a campaign to fund the new five-year initiative. NCDS' professional staff has tabulated, aggregated and analyzed all qualitative and quantitative interviewee feedback. The following findings and recommendations are the result of this effort.

Interviewee List

The NCDS team interviewed the following representative mix of private individuals, business leaders, and elected officials (Exhibit E includes interviewee's companies & organizations):

Marcy Allen	Alex Apostle, Ph.D.	Nick Alonzo
Patrick Barkey	Chad Bauer	Max Bauer
Ned Becker	Tom Bensen	Geoffrey L. Birnbaum
Mark Bretz	Scott Burke	Brent Campbell
Dan Carlino	Stephen G. Carlson	Jim Caron
Rosalie Sheehy Cates	Jack Chambers	Gary B. Chumrau
Gary R. Clark	Jean Curtiss	Dan Daly
Milt Datsopoulos	Chad DeLong	Jennifer C. Draughon
Mike Ellis	John Engen	Karl Englund
Rick Evans	Sally Evans	Jeff Fee
Bruno Friia	Kevin Gordon	Mark C. Hayden
Bob Hermes	Michael Hickey	Bob Jaffe
Cris Jensen	Vicki Peiss Judd	Nick Kaufman
Dave Keck	Larry Kelley	Richard C. King
Ed Kowachek	Kim Latrielle	Cheryl Loberg
Mark Lyons	Don Malerk	Joan Mandeville
George Manlove	Linda McCarthy	Karyn Moltzen
Jude Monson	Dave Montelius	Brian Moses
Stacy Mueller	Mike Munsey	Walt Muralt
Ric Mussielt	Kevin Mytty	Jason Nordberg
Kathy Ogren	Tim O'Leary	Dave Peterson
Suzanne M. Peterson	Gary Pfister	Alex Philip, Ph.D.
Greg Phillips	David Ports	Nick Powell
Thomas H. Roberts, M.D.	Ty Robinson	Layne Rolston
Bob Rowe	Stacy Rye	Dave Severson
Lawrence R. Simkins	Tom Toman	Karl Tyler
Tami Ursich	Dirk C. Visser	Lonnie Wallace
Meg Weis	Stewart Weis	Don Whalen
Rick Wishcamper		

NCDS believes the results of the Feasibility Analysis serve as an endorsement of the plan to build the capacity to produce critical economic development outcomes (quality jobs, capital investment, etc.) by moving ahead with a fundraising campaign.

II. FUNDAMENTAL ELEMENTS OF A SUCCESSFUL FUNDRAISING CAMPAIGN

It is well established that the following fundamental elements should be present in order to conduct a successful fundraising campaign. Satisfaction of these elements endows an organization / its leaders with “asking rights.” The central purpose of each interview conducted by the NCDS team was to uncover the presence or absence of these fundamental elements.

1. Compelling Need.

The need should be a societal, community, or individual need—not an organizational need.

2. Effective Plan to Meet the Need.

The plan should provide a practical, appropriate solution/response to the need.

3. Board / Staff / Inner Circle Fundraising Strength.

The inner circle should be enthusiastic and committed to executing a successful campaign and bringing the program / project to fruition. Moreover, the inner circle should have the capability to support the campaign generously with their financial means, time, and other resources.

4. Positive Board / Staff / Inner Circle Public Image.

The inner circle should comprise respected citizen leaders whose collective reputation is that of an organization that will accomplish its mission to execute a successful funding campaign and implement the program.

5. Constituency Has Adequate Financial Resources.

Individuals, corporations, and foundations in the community that care about the organization / need should have the financial capacity to fund it.

6. Potential Campaign Leaders Available and Interested/Committed.

Leaders of influence and financial means should currently be associated with / committed to the client organization and the project. Alternatively, there should be strong reason to believe the client could readily recruit leaders of appropriate stature and means.

7. Sense of Urgency Should Exist.

A plausible reason to fund this program NOW should exist.

III. KEY FINDINGS

As reflected in the Questionnaire found at Exhibit D, the NCDS team asked interviewees a battery of questions designed to uncover the presence or absence of the fundamental elements known to be necessary to conduct a successful campaign. Information gleaned from these interviews will be critical to the decision regarding whether to move forward with a campaign, and will assist in positioning and executing a campaign should that decision be affirmative.

1. The Need

NCDS asked interviewees a series of questions whose answers would indicate the perceived need for more aggressive, focused economic development efforts. These questions covered local economic conditions; their own business or industry's performance; area strengths and weaknesses; and familiarity with local economic development efforts. Interviewees responded in the following numbers and percentages.

- **How would you characterize Missoula's current economic climate?**

	Excellent	Good	Fair	Poor
Total #: 85	0	16	60	9
Percentage:	0%	19%	70%	11%

- **Do you feel that sufficient economic growth is occurring to maintain or improve the area's economy and quality of life in future years?**

	Yes	No	Unsure
Total #: 85	17	60	8
Percentage:	21%	70%	9%

- **What are Missoula's greatest strengths and assets for economic growth?**

The interviewees identified over 25 aspects of the Missoula area that represent a strength or competitive advantage for economic growth. Those mentioned most frequently and consistently included:

- Regional Medical Center
- Home of the University of Montana
- Public Schools

- Can do attitude of the local citizens
- Educated Workforce
- Recreation and Lifestyle
- People who live here want to be here
- Cultural Amenities
- Regional Trade Center
- Quality of Life

- **Weaknesses or obstacles?**

In contrast, over 20 items were mentioned as possible impediments to economic development. The most often cited areas for improvement / concern included:

- Low wage job growth
- Lack of opportunity for young people / professionals
- Geographic isolation
- Cost of living / housing
- Unfriendly tax structure
- Building permit process
- Cost of air travel
- Anti-business attitude
- Lack of clear vision
- Economy is too service based – not diversified
- Transportation costs
- Cost of land

- ***What are the best measures of success? How does your company benefit from economic growth?***

Interviewees suggested a variety of ways to measure economic success and progress. Those cited most frequently included:

- The number of people working
- Increase in the number of business licenses
- Wages
- Number of jobs
- Number of companies recruited
- Capital investment
- Per Capita income
- Unemployment rates

- ***What is your overall opinion of the current economic development activities? What organizations / agencies are involved and what is their role?***

Again, these questions were used to get an understanding of how local business and community leaders viewed local economic activities. As to be expected, a wide variety of responses were given. Favorable opinions of current efforts were rare, and were given exclusively by individuals who claimed some involvement in these efforts – such as staff and volunteers of certain organizations / agencies. Others involved in those same organizations, however, gave poor ratings to recent / current economic development efforts. The majority of interviewees acknowledged that they knew very little about Missoula's approach to economic development, even though most were somewhat familiar with one or more organizations with missions related to business growth and community prosperity. While some interviewees singled out individual organizations for praise or criticism, the majority spoke to the community's collective ineffectiveness, and lack of any real success with regard to economic growth. Many of these opinions were conveyed through anecdotal stories of plant closings, missed opportunities, lack of communication, and comparisons to other communities. The harshest indictment came from those who described organizations that don't communicate and don't work together toward a common community vision. The following comments are indicators of the disparate opinions we got in response to questions about economic development roles and effectiveness.

Representative Comments:

"I see it as fragmented at best – need to reduce duplication of efforts."

"We need someone to craft the big picture and with all pulling for it – currently I see or know of no vision."

"I don't know of anyone doing anything."

"There are very smart people involved; it is just a very difficult job."

"We need to step up, there is currently no one to pass leads too."

"I know of nothing going on, what we have isn't working, it's pretty poor."

"I have every confidence in the world in Dick King and the MAEDC."

"What's missing is the big stakeholders, someone needs to step up and show economic leadership."

"Each is terrifically effective at what they do, MAEDC has done a fine job with their limited resources."

Analysis

Not surprisingly, the nation's current economic woes influenced everyone's comments about economic conditions. Most agreed that, while not entirely immune to national conditions, the Missoula area has traditionally weathered the storms better than most other places. However, the interviewees are concerned that the recent closure of Smurfit-Stone and Macy's are signals that Missoula may no longer be as resilient as it was in the past. If anything, the current uncertainty may have heightened a latent desire to see the area become more aggressive and proactive in its efforts to create jobs and investment. Many would like to see a push for higher paying jobs in "industries of the future" that would attract higher educated professionals, as well as promote educational achievement and advancement among local residents.

Our candid discussions revealed some recurring themes with regard to Missoula's standing in Western Montana. Its status as the regional hub for retail, medical and other services is a great economic benefit that attracts dollars from well beyond Missoula and Ravalli counties. While everyone is appreciative of this, many were quick to point out that service based industries do not create real wealth to grow and expand the local economy.

Overall, we are encouraged by the desire to accelerate economic development efforts, and by the forward thinking about the types of jobs and industries that would be most appropriate and valuable for the community. We also appreciate the realistic and pragmatic views demonstrated by the stakeholders with whom we spoke. In short, they want more growth and prosperity, but they know it will take time, effort, and some changes in the way the community views economic development and how it presents itself to outsiders.

More Representative Comments:

"We are holding our own, in particular in relation to the rest of the country."

"Right now it is a fight to keep 1 -2% growth, and don't see any big increases coming."

"This area has so much more potential than what it is now."

"Surprisingly, things are going very well but this doesn't change my concern."

"We have to stay vigilant to capture opportunities."

"We are behind the rest of the country and are just now feeling the impacts of the economic downturn."

"Need to give more incentives to spur economic growth."

"We need to be more aggressive and support a higher level of development."

“We had the best January we have had in five years.”

“I think that our economy is doing slightly better than the nation and I do think our economic development activities are inadequate. However, I am disappointed in the audacity – and a little offended – that this effort is being put forward with no debate or consensus.”

“We have a good school system and vocational programs. How do we keep the graduates here is our challenge.”

“We need to identify the businesses of the future that are able to adapt to change and survive. There is a need for more technology based companies.”

“It’s time for this community to get more ambitious about what it can be.”

“Really, what we are seeing for Missoula and Montana as a whole is typical; we tend to lag behind the rest of the country whether it be for an upturn or downturn in the economy.”

“Things are poor and getting worse in the last six months. We are losing our manufacturing base and becoming more of a service economy.”

2. The Plan

NCDS asked interviewees to comment on the proposed *Best Place Project*. Opinions and ratings were given for the overall plan, as well as the individual components.

- **What is your overall assessment of the plan?**

	Appropriate/ About Right	Largely on Target	Off base	Not Sure
Total #: 85	46	36	0	3
Percentage:	54%	43%	0%	3%

The proposed plan identifies 3 key components or initiatives to be implemented over the next five years. The interviewees were asked to review the proposed components and their costs and indicate the degree of importance to them:

- **Initiative I: New Business Attraction**

	Important Must Do	Somewhat Important	Low Priority	No Opinion
Total #: 85	67	17	1	0
Percentage:	79%	20%	1%	0%

- **Initiative II: Existing Business Retention & Expansion**

	Important Must Do	Somewhat Important	Low Priority	No Opinion
Total #: 85	59	26	0	0
Percentage:	69%	31%	0%	0%

- **Initiative III: Community and Asset Development**

	Important Must Do	Somewhat Important	Low Priority	No Opinion
Total #: 85	40	30	10	5
Percentage:	47%	35%	12%	6%

Analysis

The proposed plan was enthusiastically endorsed, with nearly 100% of the interviewees rating it as either “Important and must do” or “largely on target, but needing some refinement.” Each of the three strategic components of the plan received high marks as well. **New Business Attraction, Existing Business Retention and Expansion, and Community and Asset Development**, were all met with enthusiasm. Despite the general agreement and endorsement of the program’s strategic focus, significantly more detail will need to be provided in order to maximize financial support. Tactical activities, budgetary requirements, organizational roles and responsibilities, governance, and other details must be fleshed out and articulated before soliciting investments.

Clearly, the interviewees believe the strategies contained in the Missoula Best Place Project represent the most effective approach to achieving desired economic growth and development. It is rare that such a large interview sample produces such strong agreement and so little constructive criticism. Generally, this endorsement should pave the way for a successful funding effort. We are, however, a bit cautious about the positive reactions to the proposed plan. Unlike many of our feasibility studies for similar programs, very few comments were offered with respect to specific strategies and tactics. Only a handful of people gave recommendations for improving the program or suggested additional strategies for consideration. This may potentially indicate a lack of understanding/sophistication regarding the practice and dynamics of economic and community development among interviewees. Among those who did not simply give the program blanket approval, the most frequent feedback was the desire to see more detail as to how the strategies would be implemented and the objectives achieved. Many also reinforced the idea that the organization(s) and people leading and executing the plan would be equally important to the plan itself. This topic provided yet another opportunity for discussions around the “who and how” relative to economic development delivery. While the proposed plan will not need to undergo significant changes to its strategic focus, it will need to find the right “home” – including professional staff and volunteer champions – from which to be implemented.

While not reflected in any of the above statistics, we offer an additional suggestion for consideration: a broader regional focus. In our experience, communities that do not take a more regional approach to economic development sometimes limit the full potential of their efforts. Even in rural, spread out places like western Montana, neighboring communities are usually part of a shared economic ecosystem involving workers, suppliers, retail / medical / services, transportation infrastructure, etc. We recommend The Best Place Project explore opportunities to engage leaders and stakeholders in nearby communities to find areas of potential collaboration, either formal or informal. It is possible that such collaborations could uncover additional sources of funding and support.

Representative Comments

“Economic development is very competitive and Missoula needs to be doing whatever they can to be part of it.”

“Show the people the vision and they will support it.”

“There needs to be a long term vision / plan as to where we want to go and what we want to be.”

“If we are going to succeed, it is going to take recognition that we need everyone pulling the same way.”

“To make this program successful you have to connect the dots. Need to help people understand how to connect people and business with vision and what the outcome is. It has to be tangible. You have to tell the story and what the benefits are.”

“City government needs to be on board and understand that their actions impact both willingness and ability to do business in Missoula.”

“The leaders in this campaign must be energized to push forward. We are all busy and sometimes it is hard to build the right team.”

“Job creation is what it is all about.”

“I worry about the ultimate growth potential for Missoula.”

“It looks great; I don’t think it is too lofty.”

3. Fundraising Strength

We have a high degree of confidence that the “right” leaders with the requisite influence, credibility, and respect in the community required to mount a successful fundraising campaign are available to lead this effort. A campaign to fund the Missoula Best Place Project will certainly benefit from such a collection of “get it done” kind of people. But to *maximize the funding potential*, we need a high degree of buy in and ownership from those stakeholders who will be the beneficiaries of its success. Lack of understanding and deference to others are not conducive to the kind of personal engagement from volunteer leaders that we know is needed to both fund and implement an effective program. Additional cultivation will be necessary for several key stakeholders, who stand to be significant beneficiaries and investors, yet are skeptical of launching this initiative. Moreover, the absence of some of these individuals and companies among the ranks of program leaders and top investors would be conspicuous to others, which may in turn, diminish the overall financial support for the program.

4. Organizational Public Image

As discussed earlier, there exists a wide range of perceptions of “where economic development gets done,” and an equally wide range of opinions about its effectiveness. In the context of this assignment, we did not have a specific organization for which we were gauging perception and image. Instead, we asked interviewees for opinions about “who” should be responsible for implementing the Best Place Project’s strategies. Responses generally identified two choices: either (a) create a new organization, or (b) fold these responsibilities into an existing organization (or organizations). Many were adamant in their respective positions. The bottom line is that while there is a strong desire for a more effective and competent function and approach for community and economic development, there is an equally strong aversion to the idea of creating yet another organization (especially if it leaves the others intact). Resolving this question and finding a solution that key leaders, investors, and stakeholders all endorse will be the most critical determinant of the initiative’s eventual success.

Despite the community’s undeniable appetite for a new, strategic, and bold approach to economic development, more clarity is needed regarding organizational structure and interconnectedness of all the existing organizations that have economic development as a part of their missions. This must be addressed in order to reach, and possibly exceed, the recommended goal. However, there was no clear consensus when interviewees were asked who should be charged with implementing this initiative, but there is overwhelming consensus that it is time for a new vision and economic leadership. Clearly, once organizational questions are put to rest the opportunity to maximize funding will exist and this effort will be seen not as an “add-on” to existing funding but rather “new” dollars for economic development.

Consideration should be given to a number of alternatives, including:

- a. Creation of a new organization – nearly half of those interviewed felt strongly that this initiative should be the responsibility of a newly created organization which may also have the potential to eliminate “baggage” that can be affiliated with an existing group. Most likely, this new organization would need to “replace” one or more existing organizations.
- b. Execute through an existing organization or combination of organizations – again, nearly half of those interviewed felt that an existing organization such as the Missoula Area Economic Development Corp. (MAEDC) should be charged with the responsibility of implementing this strategy. As mentioned this wouldn’t come without some baggage, but does have some merit because of existing organizational framework, professional staff, and state & federal relationships. Further, this may lead to supplemental funding to accomplish the strategies rather than duplicative or competing funding.
- c. Develop a governmental department – a handful of interviewees suggested the right approach may be to assign the economic development responsibilities to a governmental agency – such as the Mayor’s office. While there is value to having a central government liaison or “go to” person to assist in economic development, it is our experience that entities such as this have very little buy-in from the private sector and limited success in implementing strategies such as those proposed.

5. Financial Resources of Constituency

NCDS asked interviewees whether a goal of \$3.5 million was attainable. Interviewees responded in the following numbers and percentages.

- **The proposed program requires a five-year, \$3.5 million investment from the Missoula area investors. Is that a realistic funding goal?**

	Yes	No	Possibly	Doubtful	Don't Know
Total #: 77	36	12	14	5	10
Percentage:	47%	15%	18%	6%	14%

Analysis

Forty-seven percent of the interviewees said that the \$3.5 million goal was attainable and an additional 18% said that it was possible. Twenty-one percent said that it was either not possible or doubtful. The tested goal of \$3.5 million over five years *might* be achievable, but we feel a goal of \$3.2 million to be more realistic. Even though the country is experiencing severe economic uncertainty, most interviewees (i.e. prospective investors) agree that the Missoula area is less volatile than other communities; and while others wait, now is the time to take advantage and move ahead. Some industries have felt the impact of the economy more than others, and there are some that are doing just fine. Interviewees' indications of likely levels of support, combined with the other positive findings support this goal and give us a high degree of confidence in reaching it. However, it should be noted that we anticipate, even with substantial public sector support, that a majority of funding will come from private sector sources. If the Public sector partners provide significant leadership and investment (nearing one-third of the total) we believe that the Private sector can and will be motivated to invest the remaining two-thirds. An important factor in the community's ability / willingness to fund the Best Place Project will be the resolution of the previously mentioned organizational issues. Ideally, many of the community's resources which are currently being directed to various economic development "causes" would be redirected, and increased, to a more robust, effective, and efficient effort. The community may not have enough resources (or the desire) to simply feed another mouth at the economic development table without recalibrating the respective share of each.

Representative Comments

"Seems like a realistic number and achievable goal."

"It is realistic, but this is a tough time to do it – it is a difficult capital campaign environment."

"The investment goal is aggressive but does seem achievable."

“I don’t see a chance in hell of raising that much money – I don’t think it takes this much.”

“The amount may not be high enough because we need to make a serious jump in our efforts.”

“One of the marks of a good leader is to stabilize emotions during down economic times, but there also needs to be sensitivity for the capacity of an investor.”

“It will be very difficult, period.”

“I have no sense whether that is achievable or not.”

“I would think so, seems very reasonable.”

“Until we have a cooperative city government, I wouldn’t put a penny into this.”

6. Availability of Potential Campaign Leaders

Availability of Campaign Leaders

A significantly high number of interviewees indicated that they would be interested in taking on a leadership and / or “door opening” role in a campaign. This is a very positive indicator regarding interviewees’ desire to see this effort be successful, particularly because effective resolution of the organizational issue will require strong leadership from credible and influential stakeholders. NCDS believes the leadership support necessary for a successful campaign will be present if a decision is made to move forward.

NCDS asked interviewees whether they would be willing to play an active role in the campaign and/or make calls to “open doors” to prospects. Interviewees responded in the following numbers and percentages:

Campaign Leader

	Yes	No	Maybe
Total #: 70	50	8	12
Percentage:	71%	11%	18%

Campaign Door Opener

	Yes	No	Maybe
Total #: 68	51	8	9
Percentage:	75%	12%	13%

Analysis

NCDS has always found that the availability and interest of potential campaign leaders / champions of appropriate financial capacity, access, and influence is the critical element bearing on campaign success. NCDS asked interviewees to recommend potential key leaders and also asked whether the specific interviewee would accept some form of leadership position.

Those potential leaders named most often are addressed in the following Recommendations section to this report. The named leaders are believed to have the ability to help obtain access to the most important individual, corporate, and foundation prospects. Engaging a representative portion of them in active leadership roles will be critical to the success of the campaign.

Eighty-nine percent of interviewees expressed that they either would accept a leadership position or would at least consider doing so, and a strong 88% similarly expressed that they would consider serving as a “door opener.” These and other leaders should be engaged (with NCDS’ guidance) early in the campaign to secure some level of commitment to driving the plan and project to success. NCDS’ Recommendations will be geared toward accomplishing this goal.

7. Sense of Urgency

From the interviewees' perspective, there is not as great a sense of urgency as we might like. But that is not unusual since nobody is ever anxious to be asked for money. However, we are very encouraged that we encountered very little resistance to the idea of launching a campaign, and that virtually no one suggested this should wait until economic conditions improve, a sentiment we are hearing with greater frequency in other communities. Equally encouraging is the attitude among interviewees that Missoula has an opportunity to turn crisis into opportunity, since other communities are likely to reduce and scale back their economic development efforts. Many interviewees recognize that now may be the ideal time for Missoula to "get in the game" and that by doing so, it will be well positioned to capitalize on the recovery and also distinguish itself from other competing communities.

There are also a number of practical factors that create some urgency to fund and launch the Best Place Project now. New programs need to be up and running as soon as possible. To properly plan and ramp up those programs, multi-year budgets need to be established. Launching a campaign now will provide more certainty with regard to available funding levels for these programs. We also believe that the interest and enthusiasm generated as part of the feasibility analysis process should be capitalized on and not allowed to "go cold."

Representative Comments

"There is always opportunity to do more for this area."

"I am excited about this and think the time is right."

"If not now, when?"

"Of course we support this. We are making a significant investment in downtown Missoula that shows how 'bullish' we are on the future of this community."

"We have to stay vigilant to capture opportunities."

"We have not done as well as other Montana communities. There is no such thing as doing enough economic development."

"For the past thirty years Butte, Bozeman and Billings have opened their doors to new businesses while Missoula took the approach that they did not want more businesses. Now we are paying the price for that."

"Private money should be the dominant force."

"Now is the time to get this economic development program organized and put it in motion."

“Seems like an opportune time – it is time to be in the game.”

“Until OPG is fixed, why waste the time and energy.”

“Why isn’t this already being done?”

“I am glad that we are thinking and talking about this, let’s move forward.”

“I think this is the only way forward, we are going through a transformational time, and the time is right.”

“I am very excited, it is worth it.”

“If business development really is the goal, then Missoula could be a freight train.”

IV. NCDS RECOMMENDATIONS

The following recommendations are in response and proportion to the aforementioned key findings. Adherence to and execution of these recommendations will create the conditions needed to reach or exceed the funding goal.

Campaign Recommendation, Goal and Timing

The tested goal of \$3.5 million over five years *might* be achievable. But because of economic conditions and uncertainty, we recommend that a **\$3.2 million campaign** to fund the *Missoula Best Place Project* be launched immediately. Interviewees' indications of likely levels of support, combined with the other positive findings support this goal and give us a high degree of confidence in reaching it. We anticipate, even with substantial public sector support, that a majority of funding will come from private sector sources. If the Public sector partners provide significant leadership and investment (nearing one-third of the total) we believe that the Private sector can and will be motivated to invest the remaining two-thirds.

Effective implementation of our recommendations and careful attention to the primary issues identified in this report will be necessary to reach and exceed the recommended goal. Resolving the organizational issues mentioned throughout this report should be the immediate focus, not only because of the message it will send to leaders and stakeholders about the viability of the effort, but also because of public and private funding that is already committed to other organizations and the potential for some investors to "re-apportion" existing dues and membership fees to the *Best Place Project*.

We estimate that 10 months will be required to reach or exceed the campaign goal. This is a very aggressive timeline, and it will require unwavering focus and support from all those involved—volunteers, staff, and the entire community. NCDS will design, monitor, and to a large extent, drive this timeline providing timely feedback and adjustments as appropriate.

This estimate of funding potential is based on a variety of positive factors identified during the Study, and our firm's extensive experience in evaluating similar situations. The final goal should not be fixed / made public until the campaign "Case for Support" has been developed, the "Prospect Evaluations" process is complete, and the campaign trajectory has been established by the lead investors. Importantly, this goal is deemed feasible provided the recommendations contained in this report are implemented. Achieving and exceeding this goal will be dependent on several "critical success factors":

- Continued leadership and financial support from the City of Missoula and Missoula County
- Five year pledges from key stakeholders and companies that fall within the range of the indications provided during our interviews

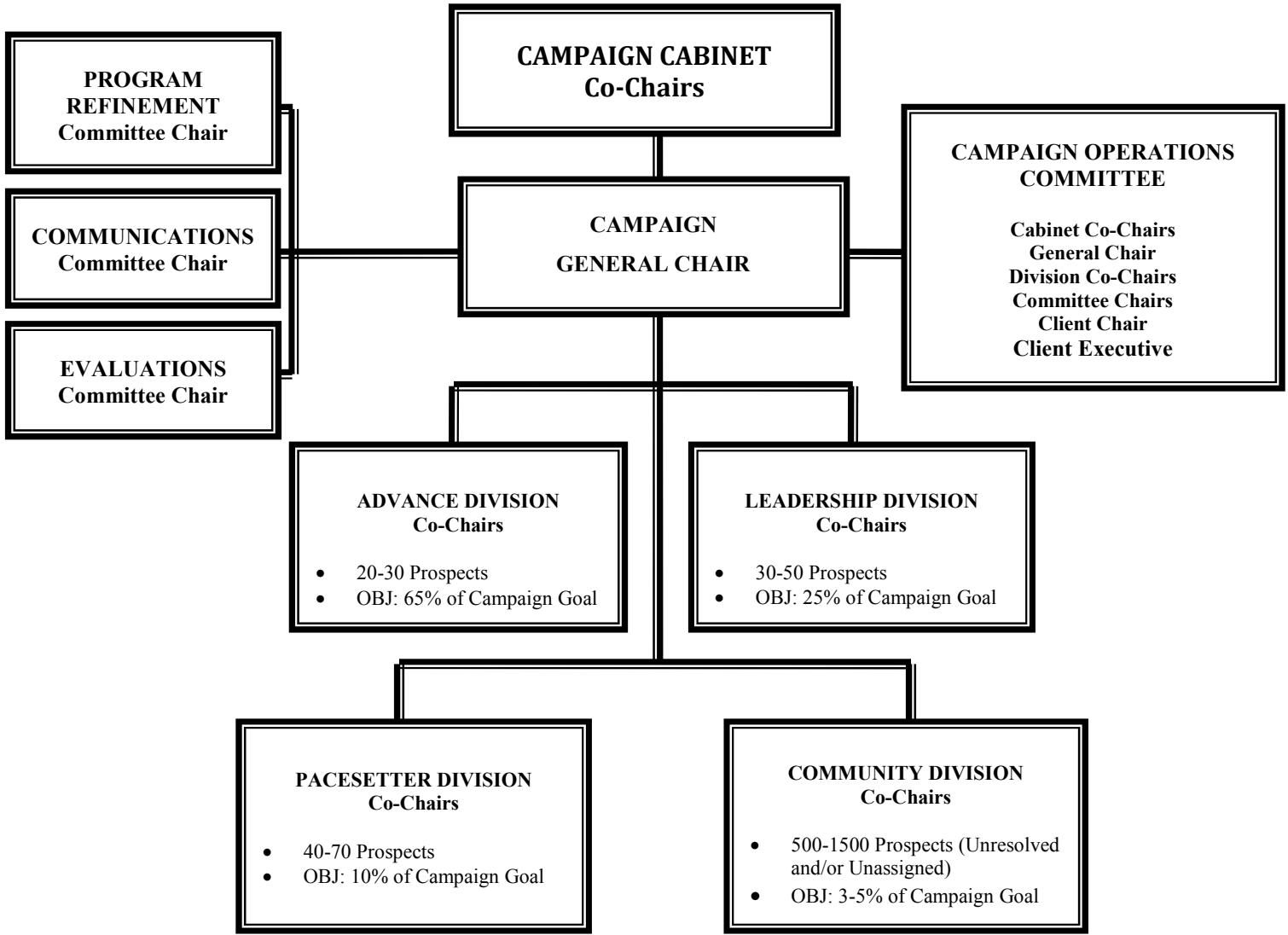
- Additional cultivation will be necessary for several key stakeholders, who stand to be significant beneficiaries and investors, yet are skeptical of launching this initiative. Moreover, the absence of some of these individuals and companies among the ranks of program leaders and top investors would be conspicuous to others, which may in turn, diminish the overall financial support for the program.
- Focused efforts to secure meaningful support from public and private sources.
- Establish an appropriate governance structure for The Best Place Project that encourages participation from top investors
- A process to resolve organizational questions, finalize program strategies, and establishes performance metrics and outcomes that includes key public and private stakeholders (the Mayor’s “economic development team” plus selected others), and representatives from existing organizations such as MAEDC, Chamber of Commerce, MCDC, BREDD, and others.

Leadership and Organization

The Missoula Area is fortunate to have the quality and quantity of leaders necessary to orchestrate a winning campaign. When NCDS team members asked interviewees to identify citizens / leaders who must be out front and visible to get the attention of the community and ensure campaign success, interviewees identified more than 50 names. The following individuals (in alphabetical order) were mentioned most often:

Alex Apostle	Bill Bouchee	Scott Burke
Steve Carlson	Gary Chumrau	Milt Datsopoulos
John Engen	Rick Evans	Jeff Fee
Jim Foley	Hal Frazier	Mike Hickey
Nick Kaufman	Dick King	Lambros Family
Joan Mandeville	George Manlove	Kevin & Bill Mytty
Cathy Ogren	Ty Robinson	Bob Rowe
Larry Simkins	Dirk Visser	Dennis Washington
Rick Wishcamper		

A number of these identified leaders—and select others—should be recruited to form the following campaign leadership structure (or some modification thereof):



Program / Organizational Refinement

As a result of the 85 interviews conducted, NCDS gained significant input regarding the perceived strengths and weaknesses of the proposed program. Accordingly, we offer the following observations / recommendations for consideration.

- More detail and specific objectives are required for people to get a vision of what can happen. This includes the establishment of appropriately aggressive measurable goals and outcomes that can be used to project Return on Investment and community impact.

- Targeted industries, jobs, and careers should serve to maintain and grow Missoula's vibrant arts and cultural portfolio, and other assets that attract retirees and high income individuals and families.
- Develop and offer incentive programs for select new businesses and to assist expansion of desirable existing businesses.
- The Missoula Best Place Project must be positioned as a truly new approach to economic development – not simply a continuation of previous efforts. A critical part of this positioning will be a more clearly articulated organizational and operational structure that details roles and responsibilities, staffing assignments, budget allocations, and program governance.
- The campaign can and should be used as a vehicle to establish a distinct governance structure for the Best Place Project. The objective, whose importance cannot be overstated, is to give key investors and stakeholders an active role in program direction and execution, and to ensure accountability to the program's investors.
- Whatever organizational structure is used to deliver the Best Place Project, it should avoid duplication and redundancy among organizations, promote better alignment toward a shared vision, and produce a more efficient and productive approach to economic development.

Public Relations: Recommended Key Messages

Based on interviewee responses, the NCDS team was able to discern / identify those program messages that seemed to have the most positive impact on interviewees, as well as those which did not appear to resonate. Accordingly, we offer the following recommendations for consideration.

- The Best Place Project should be positioned as a first critical step toward a better, more prosperous Missoula. Since change can be unsettling, especially in this community, this initiative must be packaged around outcomes and a community vision that is broadly understood and endorsed – not feared and resisted. A clear message delivered by respected and credible leaders is the key to this objective.
- Leaders and citizens need to be educated and made aware of how the economic development process works and how so many different variables are interconnected, and how they can influence success or failure (i.e. education, infrastructure, tax issues, quality of life, etc.). As part of these awareness efforts, communications activities should put the Best Place Project's strategies and tactics into context so everyone can come together around a shared vision of what is trying to be achieved and how the community will realize greater prosperity as a result.

- Potential investors and the community at large must understand the competitive nature of community and economic development and gain an appreciation for the importance of “fielding a team” with adequate resources to “get in the game.” Despite Missoula’s considerable and unique “place” advantages, other communities have equally attractive assets for economic growth. Missoula needs a new mindset and attitude that it can and will create the future it wants.
- Tout the importance and benefits of a true public / private partnership, including the efficiencies it creates, the value that both sets of stakeholders bring to the economic development table, and the alignment created with regard to needs, outcomes, and resources.

A final note relative to the last point about public / private partnership: We applaud Mayor Engen for proposing a bold new approach for Missoula’s economic development efforts and for convening an informal “team” of leaders and endorsers. The Mayor and all the members of the team are highly respected and gave this first step the needed credibility and momentum to make the next step possible. Moving forward, however, it will be important for Mayor Engen to become “one of many” champions of this initiative – not “the” champion. Without a doubt, success will require his continued passion and leadership. But others, especially, private sector business leaders, must bring their own passion and leadership to bear, in order to avoid any misperceptions that this is a “government led” effort or that private money is helping to fund a “city hall initiative.” We are confident that this subtle change can and will occur in the manner and timeframe that will best facilitate The Best Place Project’s funding and implementation.

V. CONCLUSION

NCDS believes that this Feasibility Study has validated the community's commitment to support economic development. While the tested initiatives and their respective budgets are in need of refinement (to reflect investor expectations and the amount of money that can successfully be raised), NCDS is confident that the information gathered through the interviews will provide the basis for a compelling case to be made.

As addressed herein, there is overwhelming support for economic development efforts, and little question that the financial resources exist in the community to fund the envisioned project. As in all fundraising efforts, leadership will be the key determinant to our ability to reach and exceed the recommended goal. As we build our campaign foundation, recruit our leadership and solicit investments from our major donors, we will build the momentum and increase our success to reach the private / public sector goal of \$3.2 million.

NCDS appreciates the opportunity to assist Missoula in developing a funding plan for an aggressive economic development program. We wish to express our sincere appreciation for the leadership of both Mayor Engen and Jeff Fee in moving this effort forward. We are especially grateful for the outstanding support and assistance provided us by Melani Coyle. A particular note of gratitude and appreciation for the genuine warmth and hospitality that was extended to us by Mayor Engen and his staff. The interviewees were generous with their time, and treated our assignment with a high degree of importance. Their candor and insight made for an extremely productive and, we believe, accurate, assessment process. Their interest and concern for the community's economic future is obvious, and we look forward to working with all of them to help bring about the desired outcomes.

We look forward to an extended engagement which will allow us to enjoy more of Missoula's warmth and hospitality. More importantly, we are excited to work in a community with so much potential and with so many committed leaders. We truly believe we can help make a difference in the Missoula area's future and are anxious to prove it.

VI. EXHIBITS

- A. Methodology**
- B. Prospectus**
- C. Pre-Interview Letter**
- D. Questionnaire**
- E. Interviewee List**
- F. Investment Range Table**

EXHIBIT A - Methodology

In the fall of 2009, Mayor John Engen and a small group of leaders who were concerned about Missoula's economic future began exploring alternative approaches for economic development. These conversations culminated in the Mayor announcing a new vision for Missoula's economic development activities called "The Best Place Project" during his annual State of the City address to the Missoula Area Chamber of Commerce in early 2010.

Subsequently, NCDS President Tom DiFiore met with the Mayor and his newly formed economic development team, and ultimately, NCDS was engaged to help develop and position a proposed initiative (The Best Place Project) and assess the community's reaction/potential level of support by conducting a feasibility analysis and goal assessment.

Relying on extraordinarily helpful input from these meetings and other individual conversations, and utilizing information contained in supporting materials furnished by Mayor Engen, NCDS Project Director James Grunke and NCDS President Tom DiFiore developed a "Prospectus" outlining the vision / draft plan and the proposed budget for the Missoula Best Place Project. The NCDS team then prepared a "pave-the-way" letter of introduction to accompany the Prospectus. This letter was signed by Mayor Engen and Jeff Fee, President & CEO of St. Patrick's Hospital and Health Sciences Center.

The next step was to develop a list of prospective interviewees whom Mayor Engen and his economic development committee members estimated would have valuable insight into the feasibility of conducting a successful campaign, and whom were perceived to be capable of providing important financial and other support to a potential campaign. Their hard work paid off as they developed a quality list of 100 prospective interviewees.

Packets including the introductory pave-the-way letter and Prospectus were mailed to each of these prospective interviewees. Melani Coyle then took the initiative of making calls to schedule appointments for the NCDS team. Many thanks go to Melani for her hard work in securing audiences with interviewees.

The NCDS team then conducted 85 interviews, beginning on March 15, 2010 and concluding on April 8, 2010. The list of interviewees is included as an exhibit to this report. Those interviewed represented an intentional mix of individuals, business leaders, elected officials, and representatives of non-profit organizations.

A carefully crafted Questionnaire served as an interview guide and provided consistency to the feasibility assessment process. While NCDS representatives did not ask interviewees for money or a pledge of financial support, interviewees were asked to review an "Investment Range Table" indicating levels of financial support normally required to underwrite the estimated \$3.5 million budget for the proposed project. It is

the opinion of counsel that, due to a firm guarantee of confidentiality, interviewees spoke with candor. Responses of those interviewed are shown only in the aggregate. Direct, un-attributed quotations, however, are included to convey the tone and flavor of interviewees' comments. Some questions were deliberately designed to elicit comment or promote general conversation and may not be quantifiably tallied. Not all questions were asked of every interviewee due to the nature of their interest level or time available. Key elements of opinion of the stated need, potential to give, potential to lead, and likelihood of campaign success were, however, recorded for all interviewees.

Interviews ranged in length from 45 to 90 minutes, and lasted 55 minutes on average. All interviewees were generous with their time and eager to share their opinions.

The Findings and Recommendations contained in this report are the result of careful analysis by NCDS senior management and staff of the data collected.

EXHIBIT B - Prospectus

THE BEST PLACE PROJECT

*A proposed five-year economic development strategy intended to enhance
Missoula's economic vitality, quality of place, and future prosperity*

DISCUSSION DRAFT

Endorsed and approved by:

Ellen Buchanan, Director, Missoula Redevelopment Agency

Scott Burke, President, First Security Bank

John Engen, Mayor, City of Missoula

Jeff Fee, President, St. Patrick Hospital & Health Sciences Center

Bob Rowe, Chief Executive Officer, NorthWestern Energy Corporation

Larry Simkins, President, The Washington Companies

Whitney Williams, Principal, williamsworks

March 2010

A New Approach to Economic Development

Missoula's peerless natural beauty, its vibrant downtown, its first-class public teaching and research university, its world-class medical centers, and active, intelligent, engaged citizenry all combine to make this *the best place* in the Western United States to do business. But despite our many attributes and advantages, our local economy is not as vibrant and dynamic as it can and should be. Moreover, other communities in the region and across the country are outperforming us in the competition for jobs, companies, and workers that will fuel future economic growth and prosperity. It's time to change that. ***The Best Place Project*** is a proposed new approach to economic development that will stimulate desirable growth that complements our unique assets and livability, increase community wealth and ensure good job and career opportunities for current and future generations. The hallmarks of this initiative will be strong cooperation between public and private stakeholders; performance measurement and accountability; focused, aggressive efforts rooted in proven best practices; and emphasis on "best fit" industries, companies, and jobs that enhance our community and add value without jeopardizing all that we love about this place. This document is intended to provide a general overview of this initiative to community leaders and economic stakeholders so that we can gather feedback and input for further refinement and improvement, and gauge the level of enthusiasm and support for its implementation.

The Best Place Program Overview

The Best Place Project is conceived as a public-private partnership, funded and governed by key stakeholders and beneficiaries of economic development and wealth creation. We envision a stand-alone organization with dedicated staff and resources that will work collaboratively with organizations and agencies that have separate, but interconnected missions, such as MAEDC, Chamber of Commerce, Missoula Downtown Association, Convention and Visitors Bureau, and others. ***The Best Place Project*** will be laser focused on attracting, retaining, and growing jobs and companies through three core strategies.

1. New Business Attraction

Objectives:

- To aggressively market Missoula as a prime location for new business investment to specific “good fit” industries and companies.
- To place Missoula more frequently on the “short list” of site selection consultants and decision makers.

Action Items:

- Retain expert consultant to conduct an economic assessment to determine our competitive strengths, weaknesses, opportunities, and threats (SWOT).
- Identify business and industry targets utilizing the economic assessment and matching opportunities with targets that are most desirable for enhancing our economy while maintaining our unique quality of life.
- Developing aggressive marketing strategies customized to target industries, including brand / image development, advertising in select media / industry publications, out of region recruiting trips, trade show attendance, etc.
- Develop and maintain a robust website with accurate, up to date, and interactive data and community information.
- Create and maintain an updated library of marketing materials (brochures, direct mail, advertising, multi-media).
- Develop relationships with site selectors / industry decision makers through e-mail, electronic newsletters, direct mail campaigns, and “red carpet” visits and familiarization tours.
- Maintain a database of available sites and buildings
- Respond to prospect inquiries with speed, efficiency, and comprehensiveness
- Advocate for State and Federal grants and appropriations to support business recruitment.
- Aggressively promote existing loan funds, tax credits, and other financing tools.
- Maintain an “opportunity fund” to respond to unforeseen opportunities.

2. Existing Business Retention & Expansion

Objective:

- Develop and execute programs to retain and expand existing high-wage, primary businesses and others with greatest future potential.

Action Items:

- Establish a visitation program for existing industry. A team of volunteer business leaders, local officials, and staff will work with employers to identify and resolve barriers to growth, including legislative and regulatory solutions to ensure a positive business climate and infrastructure for expansion.
- Create a SWAT team of government officials, bankers, lawyers and other resources to respond quickly and provide assistance to key firms at risk of closing or relocating.
- Work with local plant managers and executives to stay informed of headquarters activities and capitalize on corporate expansion plans.
- Provide assistance through workshops, access to state and federal programs, industry networks, technical assistance, etc.
- Support expanding businesses with site selection, financing, workforce training, permitting, zoning, advocacy, and other needs.
- Promote networking, partnerships, strategic alliances, and local supply chains through industry councils.

3. Community and Asset Development

Objective:

- Ensure necessary sites, facilities, and infrastructure needed by existing and new businesses.

Action Items:

- Through direct contact with existing business, create inventory of assets and needs.
- Engage real estate development community, utilities, local and state governments, and others to provide adequate sites, necessary infrastructure, and appropriate land use plans.

Projected Five-Year Cost of Best Place Project: \$3.5 million

Program Goals and Outcomes – to be achieved by 2015

- 2,300 new jobs (direct, indirect, and induced)
- 10% increase in per-capita income
- \$150 million in new capital investment
- \$90 million in new annual payroll earnings

Our Future: It's up to us!

The Best Place Project is not about rapid, unchecked, unplanned, or undesirable growth. It will not jeopardize or diminish the unique assets and unequaled livability of Missoula. It is about attracting, retaining, and growing companies and jobs that will ensure economic vitality and prosperity that are necessary to maintain and enhance all that we love about our community. Without targeted growth and strategic economic development, we risk losing many of the assets we cherish, including our quality of life. We also risk losing our best and brightest youth to other places that offer more opportunities. The initial sponsors of this proposed initiative have decided that alternative is not acceptable and we have chosen to do something about it. This approach has proven successful in hundreds of other communities that decided to exert greater control over their own economic fortunes and destinies. We can – and should – do the same. In fact, many of these communities are our competition for jobs, companies, talent, and investment. We may have assets that they don't, but without a sound, focused plan – and the resources to execute it – we aren't even in the game.

We are committed to further refining this plan and establishing the organization that can effectively and efficiently implement it. But we must have the broader community's stakeholders join us in our efforts. Every individual, company, and institution with a vested interest in Missoula's future vibrancy and prosperity will share in this program's success and outcomes. Accordingly, we intend to launch a fundraising campaign to secure the resources needed for implementation. This document and the goal assessment for which it was created will help us gather input and feedback regarding the proposed strategies, and assist us in determining the potential funding available for its execution. Once we achieve those objectives, we intend to move swiftly and purposefully to the critical next steps. Thank you in advance for your thoughtful reaction to this proposed initiative and your participation in this important exercise.

EXHIBIT C – Pre Interview Letter



JOHN ENGEN

OFFICE OF THE MAYOR

435 RYMAN MISSOULA, MONTANA 59802-4297

March 15, 2010

Bitterroot Motors
Kathy Ogren
3943 Brooks Street
Missoula, MT 59804

Dear Ms. Ogren:

Missoula's natural beauty, unparalleled quality of life, and other unique assets are things we all love about our community, and none of us would want to lose them. But as a stakeholder in the local economy, you – like us – understand that we must ensure quality economic growth and development in order to preserve our way of life and create a prosperous future for our businesses, citizens and future generations. We have conceived *The Best Place Project* with those objectives in mind.

The Best Place Project is a bold, aggressive approach for Missoula, but one that has proven successful in many other communities – including those with which we now compete for jobs, investment and talent. We believe it represents the right strategy for our community's economy and that now is the time to execute it. But doing so will require the endorsement and support of community leaders and stakeholders, like you. Accordingly, we are writing to request your participation in a very important step in the process.

We have retained National Community Development Services (NCDS) of Atlanta, Georgia, to conduct a feasibility analysis and goal assessment to gauge the level of enthusiasm for this initiative and to gather input and feedback regarding its design, structure, and implementation. Over the next four weeks, they will be conducting *confidential* interviews with key business and community leaders. We urge you to make yourself available for a 45-minute meeting with NCDS representatives and to review the attached "prospectus" in advance of that meeting. Most importantly, we encourage your thoughtful and candid opinions about our proposed effort.

You will be contacted soon by Melani Coyle from the mayor's office to arrange a convenient time for a confidential interview. Thank you in advance for your accommodation of this request and for your participation in this important exercise.

Sincerely,

A handwritten signature of John Engen.

John Engen
Mayor

A handwritten signature of Jeff Fee.

Jeff Fee
President & CEO
St. Patrick's Hospital and Health Sciences Center

EXHIBIT D - Questionnaire

**CONFIDENTIAL QUESTIONNAIRE
FOR NCDS INTERNAL USE ONLY
Missoula, MT "Best Place Project"**

Appt. Date: _____
Appt. Time: _____

Interviewer(s): _____
Interview #: _____

Interviewee Information (TO BE COMPLETED BY CLIENT STAFF / VOLUNTEERS):

Name: _____ Title: _____

Firm: _____ Ph: _____

Address / Location of Interview : (Driving Directions – Include as a separate attachment) , special instructions...

Background Notes / Helpful Information:

Interviewer's Assessment (NCDS):

Interviewee Attitude: Highly committed
 Positive
 Moderate
 Noncommittal
 Negative

Financial Indication:

Low \$ _____ High \$ _____

Leadership Role: Yes Maybe No
Door Opener: Yes Maybe No

Critical Notes:

Projected Campaign Role / Comments:

<input type="checkbox"/> General Chair	<input type="checkbox"/> Cabinet Co-Chair
<input type="checkbox"/> Division Chair	<input type="checkbox"/> Program Refinement Chair
<input type="checkbox"/> Communications Committee Chair	<input type="checkbox"/> Evaluations Committee Chair

(PREFACE INTERVIEW WITH CONFIDENTIALITY REMINDER)

Knowledge of the Organization

1. What is your awareness of the Mayor's proposed "Best Place" Project?

Very Aware Somewhat Aware Unfamiliar

2. What is your overall opinion of the current economic development activities (leadership , effectiveness, value)?

Very effective Moderately effective
 Not very effective Unfamiliar/Unsure

3. What is your perception of current efforts to attract new business and help existing businesses expand and thrive? What organizations / agencies are involved and what is their role?

Assessment of the Need

4. How would you characterize Missoula's current economic climate?

Excellent Good Fair Poor

5. How would you characterize the current economic climate as compared to five years ago?

Better Worse Same

6. Do you feel that sufficient economic growth is occurring to maintain or improve the area's economy and quality of life in future years?

Yes No Unsure

7. What are Missoula's greatest strengths and assets for economic growth?

8. What are the weaknesses or obstacles?

9. What are the best measures of success? How does your company benefit from economic growth?

Assessment of the Plan

10. As you can see in the discussion draft provided, the proposed plan identifies 4 key components and strategies to be implemented over the next five years. Please take a moment to review the proposed components and their costs and indicated the degree of importance to you.

New Business Attraction

Objectives:

- To aggressively market Missoula as a prime location for new business investment to specific “good fit” industries and companies.
- To place Missoula more frequently on the “short list” of site selection consultants and decision makers.

Action Items:

- Retain expert consultant to conduct an economic assessment to determine our competitive strengths, weaknesses, opportunities, and threats (SWOT).
- Identify business and industry targets utilizing the economic assessment and matching opportunities with targets that are most desirable for enhancing our economy while maintaining our unique quality of life.

- Developing aggressive marketing strategies customized to target industries, including brand / image development, advertising in select media / industry publications, out of region recruiting trips, trade show attendance, etc.
- Develop and maintain a robust website with accurate, up to date, and interactive data and community information.
- Create and maintain an updated library of marketing materials (brochures, direct mail, advertising, multi-media).
- Develop relationships with site selectors / industry decision makers through e-mail, electronic newsletters, direct mail campaigns, and “red carpet” visits and familiarization tours.
- Maintain a database of available sites and buildings
- Respond to prospect inquiries with speed, efficiency, and comprehensiveness
- Advocate for State and Federal grants and appropriations to support business recruitment.
- Aggressively promote existing loan funds, tax credits, and other financing tools.
- Maintain an “opportunity fund” to respond to unforeseen opportunities.

Important, Must Do
 Low Priority

Somewhat Important
 No Opinion

Existing Business Retention & Expansion

Objective:

- Develop and execute programs to retain and expand existing high-wage, primary businesses and others with greatest future potential.

Action Items:

- Establish a visitation program for exiting industry. A team of volunteer business leaders, local officials, and staff will work with employers to identify and resolve barriers to growth, including legislative and regulatory solutions to ensure a positive business climate and infrastructure for expansion.
- Create a “SWAT” team of government officials, bankers, lawyers and other resources to respond quickly and provide assistance to key firms at risk of closing or relocating.
- Work with local plant managers and executives to stay informed of headquarters activities and capitalize on corporate expansion plans.
- Provide assistance through workshops, access to state and federal programs, industry networks, technical assistance, etc.
- Support expanding businesses with site selection, financing, workforce training, permitting, zoning, advocacy, and other needs.
- Promote networking, partnerships, strategic alliances, and local supply chains through industry councils.

Important, Must Do Somewhat Important
 Low Priority No Opinion

Community and Asset Development

Objective:

- Ensure necessary sites, facilities, and infrastructure needed by existing and new businesses.

Action Items:

- Through direct contact with existing business, create inventory of assets and needs.
- Engage real estate development community, utilities, local and state governments, and others to provide adequate sites, necessary infrastructure, and appropriate land use plans.

Important, Must Do Somewhat Important
 Low Priority No Opinion

Investor Relations & Accountability

Important, Must Do Somewhat Important
 Low Priority No Opinion

11. What is your overall assessment of the plan?

Program Goals and Outcomes – to be achieved by 2015

- 2,300 new jobs (direct, indirect, and induced)
- 10% increase in per-capita income
- \$150 million in new capital investment
- \$90 million in new annual payroll earnings

About right Largely on target but needs refinement
 Way off base Not sure

What Changes or Modifications would you suggest?

Funding the Plan

12. This program requires a five year, \$3.5 million investment from Missoula area investors, is that a realistic funding goal? If not, then what goal could be attained?

13. Do you think that this effort should include both private and public sector funding & support? Do you have any thoughts on the most appropriate percentage of funding from each?

14. ***(Present Investment Table)*** Experience shows that the following levels of investments are necessary to reach a goal of \$3.5 million. What firms or institutions do you feel should be looked to for significant financial support?

15. At what level might your firm consider making a five-year investment in the program if it is to your liking and the right people are leading it?

A. Who would be responsible for making such a decision?

B. Who would be the best person to contact to be involved in the solicitation of your firm?

C. How quickly could your organization make such a decision?

D. Would an investment of this type come from your: (Circle 1)

Contributions Budget Marketing Budget
Development Budget Government Affairs Budget
Other _____

E. Is there any specific information needed by your firm to finalize a decision?

F. When does your firm determine its annual budget?

G. Are there any changes or other circumstances that might influence a larger investment from your firm?

Leadership

16. Whose names come to mind as those who must be out front and visible to get your attention and ensure the campaign is a success?

17. Of those, who would make the most effective Campaign General Chairman?

18. If asked, would you consider playing a leadership role in such a campaign?

19. Would you consider being a door opener?

20. What other non-profit or for-profit board commitments do you have?

Competing Campaigns

21. Are you aware of any competing campaigns (*in progress, just completed or pending*) which might affect the level of support this program might receive?

Final thoughts

22. Emphasizing again that our discussion is strictly confidential, are there any other factors which you feel might influence the outcome of the campaign?

THANK YOU

End time _____

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EXHIBIT F – Investment Range Table

Minimum Investment Levels Necessary to Guarantee

A Campaign Goal of \$3.5 Million

<-----Cumulative----->

Pledge Amount	No. of Pledges at this Level	\$ Amount this Level	No. of Pledges	Pledge Total
\$500,000	1	\$500,000	1	\$500,000
\$300,000	1	\$300,000	2	\$800,000
\$200,000	2	\$400,000	4	\$1,200,000
\$100,000	4	\$400,000	8	\$1,600,000
\$75,000	7	\$525,000	15	\$2,125,000
\$50,000	12	\$600,000	27	\$2,725,000
\$25,000	16	\$400,000	43	\$3,125,000
\$10,000	22	\$220,000	65	\$3,345,000
\$5,000	31	\$155,000	96	\$3,500,000