

FORWARD GREAT FALLS
Strategic Plan
2015-2017
Great Falls Development Authority
& High Plains Financial
Updated 1/7/16

Forward Great Falls

The Forward Great Falls effort was launched in 2002 to bring the community together to improve the regional economy. The Great Falls Development Authority (GFDA) was created to lead implementation of the Forward Great Falls effort. GFDA is a public/private economic development partnership serving the Great Falls, Montana trade area. We are formed as a Montana non-profit 501 (c) 3 charitable organization. GFDA is a certified Community Development Financial Institution.

GFDA created a financing affiliate, High Plains Financial (HPF) to offer U.S. Small Business Administration (SBA) Real Advantage 504 loans and other financing options. HPF is formed as a Montana non-profit 501 (c) 4 organization. HPF has been awarded CDC status from SBA.

This Strategic Plan outlines our priorities for 2015-2017. Our efforts are focused on addressing the three most significant economic challenges the Great Falls region has faced for decades: 1) slow economic growth; 2) over-dependence on a few key industries; and, 3) average wages well below the national average.

Setting Our Strategic Direction

GFDA's Board of Directors, as representatives of the public and private Forward Great Falls Investors, utilizes a continuous strategic planning process to allocate investor resources. The foundations of our strategic plans rest on three pillars: 1) building on and taking advantage of our existing assets, including our established businesses; 2) pursuing market-driven opportunities; and, 3) addressing our competitive weaknesses. We believe it is better to do fewer things exceptionally well, than to undertake too many things at once. We seek to increase our impact through partnerships with a diverse array of stakeholders, and to secure commitments from stakeholders to undertake important efforts beyond our capabilities and resources.

As part of our strategic planning process, we periodically conduct SWOT exercises to assess the internal Strengths and Weaknesses, and the external Opportunities and Threats, of the Great Falls economy. We use this exercise to help develop our economic development strategies and determine where and how to put our investors dollars to work to generate the greatest possible short and long-term return on investment. We also use a matrix developed for non-profit organizations by Peter Drucker to assess our activities to determine mission impact and financial impact.

Vision

Great Falls is recognized throughout the West as a city that works together to create a diversified economy with excellent career opportunities for professionals, laborers and entrepreneurs. We are a hub for business innovation, agri-processing, energy, health care, education, culture and recreation. Our revitalized downtown and riverside areas have helped us to become the leading portal for Glacier National Park.

Mission

Lead Great Falls economic development efforts to promote growth, diversification, and the creation of high wage jobs.

Values

Integrity

We hold ourselves to the highest ethical standards. We uphold the Codes of Ethics of the International Economic Development Council, the American Institute of Certified Planners, and the Montana Economic Developers Association.

Transparency

We operate in an open manner while respecting our clients' confidentiality.

Collaboration

We value our partners and use community resources as effectively as possible.

Fiscal Prudence

We operate as efficiently as possible to maximize return on investment.

Performance Driven

We strive to achieve meaningful, long-lasting results that benefit our investors and community.

Communication

We widely communicate what we're doing and why we're doing it.

Tenacity

We do not give up on accomplishing our strategic priorities.

Continuous Improvement

We are always working to improve our organization.

Return on Investment

We track and report on the direct impact of our efforts, client satisfaction with our services, and overall Great Falls economic trends. Our mission is to change the historic trend lines of the Great Falls economy in regards to economic growth, diversification and higher wage jobs. We realize that the Forward Great Falls effort operates in a dynamic economic environment. Our success year-to-year is influenced by regional, national and global economic forces.

Direct Impact

Success in economic development requires a team effort. Every deal we are involved in, whether it's a start-up, expansion, attraction or other initiative, requires significant efforts of many companies and organizations beyond GFDA. Our role varies from project to project and client to client. We let our clients determine whether we had an instrumental role in making their success possible through a client satisfaction and impact assessment survey.

The goals for our Direct Impact are detailed in the Strategic Priorities section below. More detailed annual goals and objectives are included in our annual dashboard.

Economic Trends

Although the Great Falls Metro Statistical Area (MSA) reflects only one county in the 13 county Great Falls trade area, the center and bulk of our economic activity occurs within the MSA. We use the MSA's economic trends to regularly track economic performance, but also pay attention to the entire trade area's performance.

We benchmark against 11 other MSA's in the northern Rocky Mountain west, selected simply by geographic proximity and population size below 150,000. The Great Falls MSA's current population is 82,384 (U.S. Census estimate July 1, 2013). These metro areas includes:

Billings, MT	Idaho Falls, ID
Bismarck, ND	Logan, UT
Casper, WY	Missoula, MT
Coeur d'Alene, ID	Rapid City, SD
Grand Forks, ND	Yakima, WA
Grand Junction, CO	

We also benchmark against the historical performance of the Great Falls economy over the past 40 years, and several economic forecasts and reports from companies including Moody's Analytics and Policom Corporation.

Aspirational Economic Goals

With our limited investor resources, which amount to less than one-fifth of one percent of the Great Falls Gross Metro Product, we recognize that our ability to change the long-term trends of the Great Falls economy is limited. However, we are confident in the economic future of Great Falls and believe that by investing and working together to deliver key professional economic development services and accomplish strategically targeted projects, we can shape the future. These are our aspirational goals for the Great Falls economy:

- Labor Force: 3.0% annual population and labor force growth
 - Adding 2,500 residents/year and 1,250 to labor force/year
- Employment: 3.0% annual job growth
 - Adding 1,200 jobs/year
- Diversification: Cascade County Primary Diversification Index increase by 1%/year
 - Target Index 2017 .028 (baseline .026)
- Wages: Climb 1% a year in national average
 - Currently 72% of national average

Growth Industries

We have identified six primary sector industries that offer market-driven opportunities for Great Falls economic growth and diversification. Primary sector industries and companies derive at least 50% of their revenue from outside the Great Falls trade area. These industries include:

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|-------------------------|-----------------------------|
| Agricultural Production | Back Office Operations |
| Agricultural Processing | Energy Production & Support |
| Advanced Manufacturing | Tourism |

We believe there are also growth opportunities in strengthening Great Falls as a Regional Trade Center. Enhancing retail, service, and entertainment offerings can decrease leakage to other regional trade centers, while at the same time improving our ability to retain and attract workforce talent.

Entrepreneurship has always been central to Great Falls economic growth. Many of our leading companies started as small entrepreneurial ventures. These cross a wide variety of industries including many with primary sector potential. Technology and arts/cultural industries are two areas that we see growth potential, amongst others.

Great Falls' location near the center of Montana, on the Interstate 15 corridor, and close to the Canadian border have proven to offer growth opportunities in distribution, manufacturing and professional services.

Talent

Retention and attraction of talent is a growing challenge for all sizes of companies across industries in the Great Falls trade area. A Labor Demand Certification commissioned by GFDA in the spring of 2015 found that 47% of the surveyed employers planned to increase employment while 50% planned to remain steady. In trying to recruit new employees to move to Great Falls, the top five job non-acceptance factors were compensation, employment opportunities for spouse/family, cultural and recreational opportunities, available housing, and restaurants and shopping.

We believe that our most effective role in addressing the workforce challenge is to focus supporting development and businesses that can make our community more competitive in retaining and attracting talent. Housing development, downtown and riverfront revitalization, and support of local entrepreneurial recreation, retail and dining enterprises are key parts of our strategic priorities.

Strategic Priorities

In the three-year period 2015-2017, we plan to focus on twelve strategic priorities:

Business Development

Business Attraction
 Existing Businesses & Start-ups
 Manufacturing Partnership
 Financing

Competitive Improvements

Great Falls AgriTech Park
 Workforce
 Downtown & Riverfront
 Strategic Partnerships

GFDA Capacity

Client Satisfaction & Impact
 Staff Team
 Financial Strength
 Community Investment

Business Development

Support business start-up, retention, expansion, and investment attraction by providing highly valued professional development services, and gap and bridge financing. Prioritize our work to businesses that have the potential to bring new dollars into our economy, create higher wage jobs, and provide essential community services. Continue to expand our services to real estate developers and non-profit organizations that revitalize targeted areas, provide essential community services, and create affordable workforce housing. See our annual Business Development & Communications Plan for more detail.

Business Attraction

Undertake highly targeted business attraction efforts driven by market research to pursue opportunities in growth industries. Utilize trade industry organizations, site selection consultants and Forward Great Falls investors and partners. Market Great Falls and improve the Great Falls brand – how we are perceived as an investment and entrepreneurial market. Explore opportunities created by our location on the I-15 Corridor.

- Goal: Average 3 business attractions/year
- Goal: Launch new website and content-driven marketing effort
- Goal: Launch Digital Innovators effort
- Goal: Conduct 3 or more targeted business investment missions/year

Existing Businesses & Start-ups

Offer professional business coaching, trainings, technical assistance, and advocacy services to support business expansion and entrepreneurial startups. Increase our pipeline of high priority clients. Continue to operate and improve our Small Business Development Center, Procurement Technical Assistance Center, and High Growth Initiative. Continue to grow targeted efforts such as The Fire Within and Untamed.

- Goal: Average 6 business expansions/year

Goal: Average 5 business start-ups/year

Goal: Average 50 existing business outreach visits/year, including out-of-market company headquarters

Goal: Launch Untamed Spirit educational events and entrepreneurial training

Manufacturing Partnership

Grow the Great Falls industrial base through expansions, startups and attractions. Support and nurture the Great Falls Area Food Manufacturers' Network.

Goal: Develop 8 agri-processing businesses cases and utilize cases to target companies to attract investment

Goal: Secure funding and conduct a supply chain analysis to identify growth opportunities

Goal: Become a funded Montana Ag Development Center

Financing

Provide or secure financing in partnership with banks and other lenders to enable business start-ups, expansions and attractions, real estate development projects, and non-profits that provide essential community services.

Gap & Bridge Financing

Finance the un-bankable portions of deals that otherwise would not be able to move forward.

Pursue moving the USDA IRP fund from HPF to GFDA to improve operational efficiency and make it easier to secure equity to inject into the fund.

Goal: Maintain average loan capital deployment ratio of greater than 85%

Goal: Increase loan capital from \$9.8 million to \$15 million

SBA 504 Loans

Offer SBA Advantage 504 loans statewide.

Goal: Increase SBA 504 loan portfolio from \$10 million to \$25 million

Brownfields

Provide low-interest, subordinate financing for environmental cleanup to facilitate property redevelopment.

Goal: Create new assessment program by securing EPA funding

Angel Network

Facilitate matching of accredited investors with local entrepreneurs and developers who need equity capital. Utilize the Network as qualified deals arise.

New Markets Tax Credits

Continue to support Montana Community Development Corporation statewide program. Explore pursuing our own allocation of annual New Market Tax Credits to support downtown and riverfront revitalization, as well as rural development efforts in the Great Falls trade area.

Competitive Improvements

Work with public and private partners to undertake key projects that improve the competitiveness of our region to attract business and real estate investment, retain and attract human talent, and improve the quality of life for all residents.

Great Falls AgriTech Park

Create cost-competitive, shovel-ready, rail-served heavy industrial lots for business start-ups, expansions and attractions. Continue to host the North Industrial Area Task Force to foster growth.

Goal: Develop infrastructure and sell first 6 AgriTech Park lots to businesses that begin construction

Workforce

Retain, develop and attract human talent needed to support entrepreneurial businesses. Work with public and private partners to strengthen and create pathways that connect residents with higher wage jobs through education and training, and through partnerships with employers. Support talent recruitment efforts of businesses and real estate organizations. Assist clients to secure workforce training funds. Encourage developers to offer a wide price range of homes for purchase.

Goal: Construction start of 500 new rental housing units

Goal: Lead makeover of the Great Falls Visitor Center

Goal: Secure funds to create business technical assistance program to identify and recruit low and moderate income residents into higher wage jobs that offer benefits.

Downtown & Riverfront

Support real estate projects, business development, and public improvements to create vibrant downtown and riverfront areas. Support city-wide wayfinding effort.

Goal: Construction starts on 3 renovations or new construction projects/year

Strategic Partnerships

Support targeted partnerships and initiatives that help us achieve our mission. These include:

Downtown Development Partnership
 Education and Workforce Efforts
 ExpoPark Efforts
 Great Falls Tourism Alliance
 GTF Discount Air Initiative

Montana Defense Alliance
 MAFB Community Partnership
 MT Agricultural Partnering
 MT Economic Development Partnering

Organizational Capacity

Enhance our organizational capacity to increase our mission impact, make us more financially sustainable, and strengthen our public and non-profit partners. Through an organizational SWOT analysis, we have identified 4 priorities for the next three years.

Client Satisfaction & Impact

Measure client satisfaction and mission impact with new survey.

Goal: Launch new client satisfaction and impact tracking survey

Goal: Maintain 98% client satisfaction with services provided

Staff Team

Continue to strengthen our staff team.

Goal: Each team member has cross-trained 80% competent back-up

Goal: Strengthen operations with addition of administrative position; 75% lending and creation of second Loan Officer position

Financial Strength

Strengthen GFDA's financial position to improve operating margin and improve balance sheet to make it easier to attract long-term loan capital.

Goal: Pay off one-time operating debt

Goal: Build 6 month operating reserve

Community Investment

Strengthen GFDA's ability to achieve its mission by securing increased public and private investment in the Forward Great Falls effort.

Goal: Mount Forward Great Falls 5 year capital campaign and reach \$600,000/annual GFDA investment level

Goal: Get economic development mil levy approved by Cascade County voters to improve competitiveness