



WESTERN RURAL DEVELOPMENT REGION
COMPRISING THE PEOPLES AND COMMUNITIES WITHIN THE GEOGRAPHIC
BOUNDARIES OF MONTANA'S LAKE, MINERAL, AND SANDERS COUNTIES

2012-2017 Comprehensive Economic Development Strategy (CEDS)



**Prepared by Lake County Community Development Corporation on behalf of
The Western Rural Development Region of Montana
December 2012**

The 2003 Montana Legislature created the *Certified Regional Development Corporation* program. The legislative intent of the program was to encourage a regional approach to economic development that facilitates efficient delivery of economic development programs by supporting regional capacity building. Lake County Community Development Corporation was named the Certified Regional Development Corporation (CRDC) for a partnership formed within the geographic region encompassed by the three-county area in Western Montana that includes Lake, Mineral and Sanders Counties, which has been named the *Western Rural Development Region*. This geographic region also comprises a portion of the aboriginal homelands of the Confederated Salish and Kootenai Tribes, including portions of the Flathead Indian Reservation. The CRDC is responsible for assisting local development organizations and the communities, governing bodies and businesses they serve to assess, plan, and facilitate economic action within the region. This Document reflects collaboration and input from partners and resources including three County Governments, local non-profit organizations and the citizens of the area, including input from the Confederated Salish and Kootenai Tribes. The Western Rural Development Region, local governments and the Tribes are striving to nurture a “government-to-government” relationship with each other, and continue to work together in areas of mutual interest. For purposes of publishing this document, we acknowledge that portions of this document reference the Confederated Salish and Kootenai Tribes’ Comprehensive Economic Development Strategy (CEDS) document and Flathead Reservation Comprehensive Resources Plan. To view the Comprehensive Resources Plan, please visit http://www.cskt.org/tld/tld_landuse.htm. Additional information can be requested by contacting the Confederated Salish and Kootenai Tribes at 406-675-2700. This document does not supersede the Tribal CEDS or Comprehensive Resources Plan, nor does it set Tribal economic development priorities which are only established by the Tribal Council.



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1. Introduction to the Western Rural Development Region

EXECUTIVE SUMMARY

The Western Rural Development Region and its network of relationships in the Flathead Indian Reservation, Lake, Mineral, and Sanders Counties present the following 2012 Comprehensive Economic Development Strategy (CEDS) update. In its role as the Certified Regional Development Corporation (CRDC) for the Western Rural Development Region (WRDR), Lake County Community Development Corporation (LCCDC) has organized and created the following information and data. It reflects numerous conversations about the social and economic well-being of the region, and reveals the commitment that its communities have towards creating more jobs, fostering more stable and diversified economies, and improving the living conditions within the region's business corridor.



Through town hall style meetings, surveys and multiple gatherings with local government entities, civic groups, and individual citizens, this document will help to build an infrastructure that enables direct channels of information and communication with respect to economic development within our region. The region comprising Lake, Mineral, and Sanders Counties presents unique projects and relationships unlike any found within the state of Montana. This CEDS document has been, in part, created to share these conversations taking place in the area.

When reading, it is important for the reader to understand that the Western Rural Development Region overlaps with the borders of a sovereign Indian nation – the Confederated Salish and Kootenai Tribes, (CSKT) of the Flathead Nation. In Montana, there are seven Indian reservations, comprised of twelve tribal Nations who have their own languages, cultures, histories, and governments. Each Nation and each reservation contribute to Montana's modern economy. In the Western Rural Development Region, the Confederated Salish and Kootenai Tribes significantly add to the economic well-being of the area through various Tribal enterprises, educational opportunities, and an extensive Tribal government. As the Western Rural Development Region plans for future economic development, it is important to note that priorities, though often overlapping, are sometimes exclusive to a group or area, and require increased communication. To help move our communities forward, the Western Rural Development Region, local governments and the Tribes strive to nurture a "government-to-government" relationship with each other and work together in areas of mutual interest. For purposes of publishing this document, we acknowledge that portions of this document reference the Confederated Salish and Kootenai Tribes' Comprehensive Economic Development Strategy and the Flathead Reservation Comprehensive Resources Plan, which can be referred to by visiting: http://www.cskt.org/tld/tld_landuse.htm. Additional information can be requested by contacting the Confederated Salish and Kootenai Tribes at 406-675-2700. This document does not supersede the Tribal CEDS or Comprehensive Resources Plan, nor does it set Tribal economic development priorities which are only established by the Tribal Council.

During the next five years, and into the future, the partners within the Western Rural Development Region are engaging in conversations that promote forums for ideas and open communication. As resources continue to become scarce –

whether it be timber, finances, or our workforce leaving the state – all of the partners need to be at the table. This CEDS document is just one tool to help promote this type of generative conversation.

ECONOMIC PHILOSOPHY

During the construction of the CEDS document, several themes arose regarding philosophies for services, partnerships, and resources. Notably, the following quote became thematic and was viewed as a good approach for economic development projects in the Western Rural Development Region:

“In times of ever decreasing resources, we need to find ways to collaborate.”

The partners throughout the Western Rural Development Region believe that the “table needs to be set” for cooperative efforts and projects. Conversations amongst representatives in the Flathead Indian Reservation and Lake, Mineral, and Sanders Counties will strive towards working together on projects and efforts of mutual interest.

Communication will be vital to our economic philosophy. Keeping parties informed, and through continued and increased dialogue will work towards benefiting the community and region at large.

MISSION OF THE WESTERN RURAL DEVELOPMENT REGION

The 2003 Montana Legislature created the Certified Regional Development Corporation (CRDC) program. It was the legislative intent of the program to encourage a regional approach to economic development in order to facilitate the efficient delivery of economic and community development programs by supporting regional capacity building within local development organizations.

Lake County Community Development Corporation (LCCDC), a 501c3 Non-Profit Community Development Organization and non-government agency, was named as the CRDC for a coalition formed by local development organizations in Lake, Mineral, and Sanders Counties with support from County and local governments and the Confederated Salish & Kootenai Tribes (CSKT).

Under the leadership of LCCDC, the coalition of organizations has been named the Western Rural Development Region. Its mission is to seek out those areas of common vision and concern relative to community and economic development and, through its partners, to help facilitate action that contributes to the overall health and economic well being of the citizens of the region. Its role is not to replace the activities of local development agencies in the region, but to enhance their efforts by augmenting their capacities to better serve their local businesses and communities.

In collaboration with its partners throughout the region, the CRDC provides technical assistance to help communities implement the priorities as described in this document and to create an environment that helps private enterprise, across all industrial sectors, grow and thrive. The CRDC’s business development centers provide technical assistance to a wide variety of businesses in the region through a variety of management and marketing training programs, providing access to work-force development resources, and, in partnerships with private financial institutions, assuring access to capital for qualified small and start-up entrepreneurs through a community-based revolving loan fund.

Other services that foster the growth of private enterprise include access to: expertise in food product development and manufacturing; participation in the western *Montana Food and Ag Coalition* and *Farm-to-School* programs; expertise in

marketing goods and services to the government and becoming *HUB-Zone* certified or qualifying as a *Disadvantaged Business Enterprise*; or assistance in developing or managing a cooperative-based business model. Services to local and county governments in the region are designed to assist in special projects, where they may not have the capacity within their staff or their local development organization to help with: project planning and development, grant writing and project /grant management.

CEDS BACKGROUND AND PROCESS – WHAT IS A CEDS?

A Comprehensive Economic Development Strategy (CEDS) is both a planning process designed to help guide the future economic development of the region and improve the current local conditions, and the document that results from that process. Its goal is to document and prioritize goals and objectives related to economic development.

The individual counties represented in the CEDS document each prepared various local surveys and documentation that was used as a basis for the regional CEDS. The resources and partners involved worked closely with the overseeing organizations and stakeholders to research, collaborate, and document the current conditions, present and future needs to include in the CEDS. Industry segment representatives and leaders were also formed or consulted to further increase public and private sector involvement.

CSKT have prepared a CEDS document. Additionally, they have prepared other planning documents, including the [Flathead Reservation Comprehensive Resources Plan](#), which can be referred to by visiting: http://www.cskt.org/tld/tld_landuse.htm. Additional information can be requested by contacting CSKT at 406-675-2700. Lake County's planning documents, including its Growth Policy and Community Infrastructure Plan may be found on the web at <http://www.lakecounty-mt.org/planning/index.html>. Mineral County documents may be found by visiting the County website at <http://co.mineral.mt.us/departments/Environmental.aspx>; and for Sanders County, <http://www.sanderscounty.mt.gov/Pages/LandServices.html>.

Outreach through various public meetings and one-on-one interviews with stakeholders (including public officials, residents, business owners, and public/private organizations) were conducted. Surveys were distributed within the counties and input was requested from area non-profit groups and local development agency members. Statistical data and information was gathered from the census sites and research groups. Public meetings, stakeholder interviews, survey results, and industry segment committee reports were used to create portions of both the individual county and the regional CEDS.

The balance of the information used to create the CEDS was assembled from needs assessments, growth policy plans, demographic and economic data, community surveys, and other appropriate sources of reference.

SOURCES FOR DATA, STATISTICS, AND REFERENCES

LCCDC's CEDS report is a compilation of data, statistics, and resources that was developed with the best sources available. Information was cumulated as timely as possible. One of the goals for the CEDS report is to be a living and dynamic document, which can be updated periodically as needed.

In addition to community meetings held throughout the region in the fall of 2011 and spring 2012, the following is a list of sources that the LCCDC CEDS report utilizes:

- Bureau of Business and Economic Research, University of Montana, *Monetary Contributions of Reservations to the State of Montana*, (November 2007)
- Bureau of Economic Analysis, U.S. Department of Commerce
- County BEARFACTS (Lake, Mineral and Sanders Counties) (2012)
- Census and Economic Information Center (CEIC), Helena, MT
- Char-Koosta News
- Confederated Salish and Kootenai Tribes Comprehensive Economic Development Strategy, 2010
- Confederated Salish and Kootenai Tribes Flathead Reservation Comprehensive Resources Plan, Volume I
- Headwaters Socioeconomic and Demographic Profiles, Headwaterseconomics.org
- Lake County Community Infrastructure Plan (2012)
- Lake County/ Lake County Community Development Corporation Survey Results (2012)
- Lake County Growth Policy (2005)
- Mineral County Community Infrastructure Plan (2010)
- Mineral County Challenge Survey and Plan (2010)
- Sanders County Community Infrastructure Plan (2012)
- Sanders County Survey Results (2011)
- Community Infrastructure Plans, Cities of Ronan and Polson; Town of St. Ignatius
- Salish Kootenai College Strategic Plan
- United States Census Bureau: 2000 and 2010 U.S. Census, American Community Survey 2007-2008

2. Western Rural Development Region – Who are we?

ORGANIZATION OVERVIEW

As the CRDC for the WRDR, Lake LCCDC is comprised of a Board of Directors and a team of staff members who work to enhance the quality of life and economic well-being of all residents in the region. In addition to the Board and its staff, LCCDC also partners with private, public, tribal, and economic sector representatives. A Regional Advisory Council, comprised of representatives of local development organizations from throughout the region, act as the CRDC's Steering Committee and meet regularly to discuss regional priorities and advise on what is needed to implement priorities at the local level. The Advisory Council is a conduit for submitting projects and recommendations to LCCDC's Board of Directors that may require funding or technical assistance from the LCCDC staff or for submitting loan applications to the regional revolving loan fund.

Lake County Community Development (LCCDC) – Board of Directors

Board Member, Title	Affiliation, Title, Location
Todd Bassett, President	Glacier Bank, Vice President, Polson, MT
Cindy Willis, Vice President	Real Estate Solutions, Owner, Polson, MT
Paul Soukup, Secretary Treasurer	St. Luke's Hospital, Chief Financial Officer, Ronan, MT
Jay Preston, Immediate Past President	Access Montana, Ronan, MT
Bill Barron, Board Member	Lake County Commission, Commissioner, Polson, MT
Sandy Coulter, Board Member	Coulter Automotive, Owner, Charlo, MT
Steve Dagger, Board Member	Retired Forester, Organic Farmer, Dixon, MT
Lloyd Irvine, Board Member	Confederated Salish and Kootenai Tribes Tribal Council Member, Pablo, MT
Brennin Grainey, Board Member	Community Bank of Ronan, Loan Officer, Ronan, MT
Greg Hertz, Board Member	Moody's Market, Owner, Polson, MT
Debra Krantz, Board Member	Lake County Job Service, Polson, MT and Sanders County Job Service, Thompson Falls, MT

Western Rural Development Region (WRDR) Advisory Council

Council Member	Affiliation, Title
Billie Lee	Lake County Community Development Corporation, Executive Director, Ronan, MT
Marie Hirsch-Mahugh	Lake County Community Development Corporation, Business Development and Communications Manager
Donna Mollica	Arlee Community Development Corporation
Kevin Chamberlain	Montana State University – Extension Office, Superior, MT
Jim Debree	Mineral County Economic Development Corp, Montana State University – Extension Office, Superior, MT
David DeVore	Polson Community Development Corporation, Mineral County Economic Development Corp
Jim Rexhouse	Sanders County Community Development Corporation
Deb Achatz	Sanders County Community Housing Organization
Jan Niemeyer	Lake County Community Housing Organization

LCCDC MANAGEMENT STRUCTURE - STAFF

Staff Member	Title
Economic Development and Community Programs	
Billie Lee	Executive Director, Lake County Community Development Corporation
Roland Godan	Project Manager, Lake County Community Development Corporation
Vicki Ewing	Bookkeeper
Lisa Bagaoisan	Administrative Assistant
Business Development Center	
Marie Hirsch-Mahugh	Business Development and Communications Manager
Carol Cunningham	Client Services Manager
Luke Walawander	Loan Portfolio Manager
Peter (PJ) Auld	Salish Kootenai College, Intern

Food, Ag, and Cooperative Development Center	
Jan Tusick	Program Director, Mission Mountain Food Enterprise Center
Karl Sutton	Project Coordinator, Mission Mountain Food Enterprise Center
Lindsay Howard	Program Coordinator, Mission Mountain Food Enterprise Center
Yvette Rodriguez	Lead Processor, Mission Mountain Food Enterprise Center
Nadine Littlefoot	Assistant Processor, Mission Mountain Food Enterprise Center
Shay Farmer	Vista and Food Corp Volunteer
Nicki Jimenz	Vista and Food Corp Volunteer
John Boudreau	Assistant Processor, Mission Mountain Food Enterprise Center

SPECIAL THANKS TO ADDITIONAL CONTRIBUTORS TO THE CEDS PROCESS

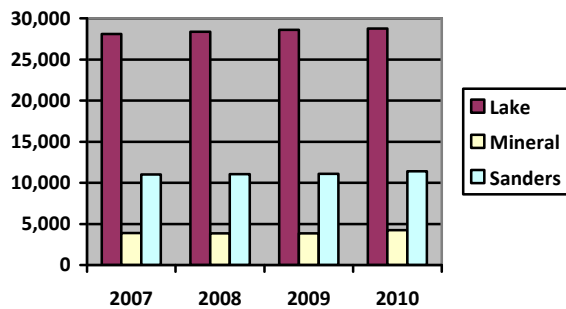
Contributor	Affiliation, Title
Janet Camel	Confederated Salish & Kootenai Tribes, Economic Development Office, Land Use Planning Director
Jim Rexhouse	Sanders County Community Development Corporation, Executive Director
Kevin Howlett	Confederated Salish and Kootenai Tribes, Tribal Health and Human Services Department Head
Dana Grant	SAFE Harbor; Council on Human Services
Kevin Chamberlain	Montana State University – Extension Office, Superior, MT, Extension Officer
Steve Clairmont	Confederated Salish and Kootenai Tribes, S & K Holding Company, President
Jan Niemeyer	Lake County Housing Assistance, Executive Director
Shane Roberts	St. Luke Community Healthcare Network, CEO
George Bailey	Mineral County Hospital, Director of Business Development
James Kiser	St. Joseph Medical Center, CEO

DEMOGRAPHICS

Communities are defined in many ways. In the Western Rural Development Region, the geography and its history convey many stories of where we come from and what our future might look like. The following demographics are another tool for telling the story of the region.

2000-2010 Population by County, Region, State, and United States

According to United States Census Bureau reports, the population of our region has steadily increased over the last 10 years. Collectively, Lake, Mineral, and Sanders Counties have increased in population size by 9.56% during this period.



- Within the graph, only the Western United States has experienced a higher growth percentage in population than Sanders County, MT

	2007	2008	2009	2010	% change 2000-2010
Montana	957,225	968,035	974,989	989,415	9.70%
Lake	28,103	28,373	28,605	28,746	8.40%
Mineral	3,881	3,861	3,833	4,223	8.70%
Sanders	11,008	11,052	11,096	11,413	11.60%
Western Region (U.S)	69,767,850	70,698,031	71,568,081	71,945,553	13.80%
United States	301,579,895	304,374,846	307,006,550	308,745,538	9.70%

Population Change: Census 1990, Census 2000, Census 2010

	Census 1990 Total Population	Census 2000 Total Population	Census 2010 Total Population	# Change from 1990 to 2010	% Change from 1990 to 2010
Montana	799,065	902,195	989,415	190,350	19.23%
Lake	21,041	26,507	28,746	7,705	26.81%
Mineral	3,315	3,884	4,223	908	21.51%
Sanders	8,669	10,227	11,413	2,774	24.05%

Towns and Population within the Region: Incorporated versus Unincorporated 2010

Between the three counties within the region, nearly 75% of the population resides in communities that are unincorporated. It is important to note that this number also accounts for residents that geographically live within socially accepted boundaries of an incorporated area, however, technically reside outside of the incorporated limits.

- The tables to the right and below represents the incorporated and unincorporated communities in Lake, Mineral, and Sanders Counties:

	Incorporated	Unincorporated
Lake	Polson, Ronan, St. Ignatius	Arlee, Big Arm, Charlo, Elmo, Pablo, Swan Lake
Flathead Reservation	Hot Springs, Polson, Ronan, St. Ignatius	Arlee, Big Arm, Charlo, Dayton, Dixon, Elmo, Evaro, Lonepine, Moiese, Niarada, Pablo, Ravalli
Mineral	Alberton, Superior	De Borgia, Haugen, Riverbend, Saltese, St. Regis Taft
Sanders	Hot Springs, Plains, Thompson Falls	Dixon, Heron, Lonepine, Niarada, Paradise, Noxon, Trout Creek

	Total	Incorporated	% Incorporated	Unincorporated	% Unincorporated
Lake	28,746	7,201	25.05	21,545	74.94
Mineral	4,223	1,232	29.17	2,991	70.82
Sanders	11,413	2,905	25.45	8,508	74.54

Median Age

The region is a collectively older population compared to the state of Montana's average. However, in some areas such as Lake County and the Flathead Indian Reservation, there has been a rise in younger families.

	Montana	Lake	Flathead Reservation	Mineral	Sanders
Median Age	39.0	39.7	38.2	46.5	48.1

Source: American Community Survey Profiles; <http://ceic.mt.gov/MtByNumb.asp>

Throughout the region, our population is aging. This is impacted by two distinct factors. The first is a lack of good paying jobs that help keep younger people/families in the area rather than going elsewhere to seek work; and the second is the increasing number of retirees seeking areas of relatively low cost in which to live. Mineral County's population aged at a higher rate than the other counties.

2010 Census: Race and Ethnicity Breakdown

Compared to other regions within the state of Montana, the Western Rural Development Region is comprised of a unique history regarding the peoples who have lived here since time immemorial, as well as those who presently call the region home. Whether it is the Confederated Salish and Kootenai Tribes and its members who have lived here indefinitely, or the families who moved to Lake, Mineral and Sanders Counties for mining, agriculture and timber opportunities, the region has become and is growing stronger because of its diversity. The following graph represents the race and ethnicity data from the 2010 U.S. Census:

	Total Population	Total Reported	White	Black or African American	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Some Other Race	Two or More Races	Hispanic or Latino (of any race)
Lake	28,746	26,655	19,945	98	6,328	115	17	152	2,091	998
Mineral	4,223	4,121	4,007	11	63	30	0	10	102	80
Sanders	11,413	11,054	10,453	17	505	34	1	44	359	233

Source: <http://ceic.mt.gov/2010%20Census%20Data/2010%20Census%20Redistricting%20Data%20County%20Race.htm>

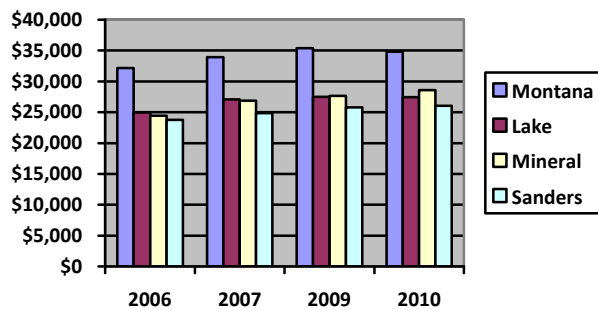
Number of Veterans, 2006-2010

Montana has the second highest number of veterans, per capita, in the United States. As of the 2010 Census, Lake County Community Development Corporation's region has 5,364 veterans. As a percentage, the region is home to 5.3% of Montana's veteran population.

	Montana	Lake	Mineral	Sanders
Number of Veterans	100,874	3,094	550	1,720

Source: US Census Bureau 201

Per Capita Personal Income



- For the purpose of this CEDS report, Per Capita Personal Income is defined as all wages, salaries, income, and social security benefits divided by the total population.
- Per Capita Personal Income is a tool used to compare counties and states.

	2006	2007	2009	2010	2009 State Rank	2009% of United States
Montana	\$32,177	\$33,914	\$35,268	\$34,828		88%
Lake	\$24,979	\$27,104	\$27,492	\$27,437	49 th	69%
Mineral	\$24,410	\$26,867	\$27,654	\$28,596	43 rd	72%
Sanders	\$23,787	\$24,862	\$25,769	\$26,063	52 nd	66%

Source: Regional Economic Information System, Bureau of Economic Analysis (BEA), U.S. Department of Commerce (April 2011)

Total Persons in Poverty Status

- The U.S. Census Bureau establishes thresholds of poverty for families of different sizes and living situations.
- For the CEDS report, total persons in poverty status are comprised of those persons who qualify given a specific U.S. Census Bureau threshold.

	Total Persons in Poverty Status	% Percentage
Montana	142,257	15.0%
Lake	5,868	20.9%
Mineral	631	16.9%
Sanders	2,375	21.8%

Source: Small Area Income and Poverty Estimates, U.S. Census Bureau

2009 Percent of Households by Income

Each county within the region has either its second highest percentage of households by income represented by those earning \$15,000 or less, or has its highest percentage within the category. This data helps convey the delicate nature of the income levels within the region. Should a major employer leave the area, it's very likely that the largest percent of households by income would fall in the lowest tier.

	<15,000	15-24,999	25-34,999	35-49,999	50-74,999	75-99,999	100,000 +
Montana	14.81%	13.46%	12.5%	16.26%	19.48%	11.26%	12.18%
Lake	17.73%	14.45%	13.16%	17.71%	18.43%	8.48%	10.01%
Mineral	16.85%	14.77%	15.16%	19.50%	15.16%	10.56%	7.97%
Sanders	20.50%	17.89%	16.08%	17.82%	14.71%	6.21%	6.76%
Flathead Indian Reservation	19.11%	14.93%	13.14%	16.37%	18.93%	7.99%	9.48%

Source: 2005-2009 American Community Survey, 5 year estimates, U.S. Census Bureau

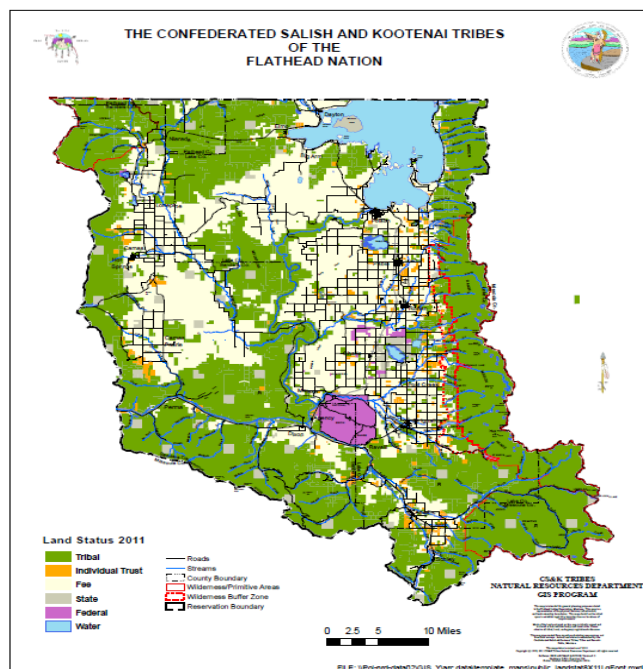
3. Analysis of the Region – Who are we? Where are we?

REGIONAL SUMMARY

The region depicted throughout this CEDS document is rich in history, resources, and people. The following section provides a brief analysis of the region and its economy, and informs the reader where we are as a regional community – both geographically and demographically.

Geography

The Western Rural Development Region is illustrated by the previous map of Montana's Lake, Mineral and Sanders Counties. The Flathead Indian Reservation, shown above, intersects with the western third of Sanders County and a large portion of Lake County. *Map of the counties provided by LCCDC. Map of the Flathead Indian Reservation provided by the CSKT.*



- Green = Tribal
- Orange = Individual Indian-owned Trust
- White = Fee
- Gray = State
- Purple = Federal
- Blue = Water

Though the geography of the Western Rural Development Region is represented above, its linear boundaries have not always appeared this way. Before Montana became a state and the counties were created, the region was a small portion of the aboriginal homeland of the Bitterroot Salish, Kootenai, and Pend d'Oreilles peoples. In 1855, through the Treaty of Hellgate, these Tribes reserved the Flathead Indian Reservation as well as the Bitterroot Valley, and some lands north of the Reservation, for their exclusive use and benefit. Eventually, the Reservation boundary changed to what is depicted above. Within the lands ceded to the federal government by treaty, these Tribes retained aboriginal water rights. The Tribes also retained other rights on open and unclaimed land within their aboriginal territories. Long after establishment of the Reservation, counties in the region began to be established. These include: Sanders County (1905), Mineral County (1914) and Lake County (1923).

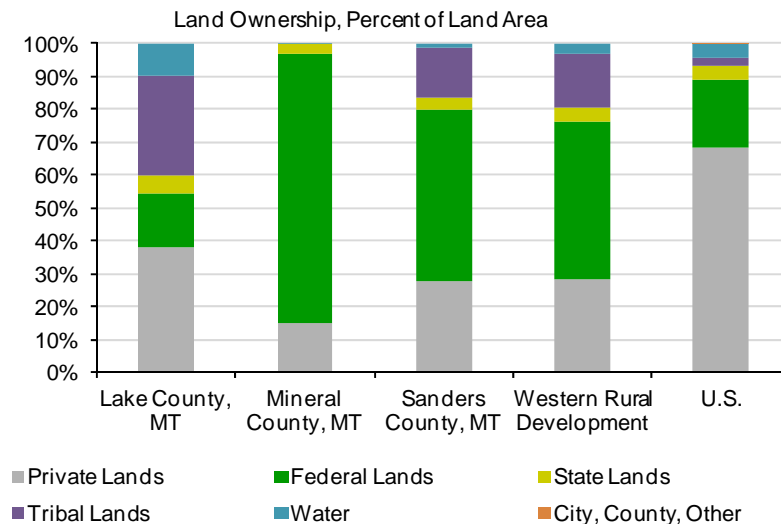
Today, as can be seen in the tables below and the map of the Flathead Indian Reservation above, land ownership within the Western Rural Development Region is very diverse. In Lake County and the Flathead Indian Reservation, land ownership has been influenced by different eras in United States Federal Indian policy. As a result of protested government policies that took original Tribal land from the Bitterroot Salish, Kootenai, and Pend d'Oreilles, such as the Flathead Allotment Act (1904) and forced fee-patent policies, land became available for non-Indian settlement within the region, which ultimately led to the erosion of land from Tribal ownership. The taking of these lands was later found to be illegal by the federal Court of Claims. Presently, however, the Tribes are working to purchase lands back to preserve and steward their remaining homeland for future generations. The Tribes pride themselves on being a good neighbor, and work collaboratively on projects of mutual interest with non-Tribal community members to determine policies and best interests for the community as a whole.

On the map of the Flathead Indian Reservation located on the previous page, there are several types of land held in status that are uncommon to individuals who live off of the Flathead Indian Reservation or away from Montana. These include tribal, individual Indian-owned trust, state-owned "school" sections, federally-owned, and fee land. Tribal land is land owned by the CSKT as a whole people. Individual Indian-owned trust land, as described in the CSKT Comprehensive Resources Plan Volume I, "is a tract of Tribal land that, pursuant to the Flathead Allotment Act (33 Stat. 304), was removed by the Secretary of Interior from communal ownership and conveyed by trust deed to (an) individual (member or) members of the Tribes. Most, but not all, allotments were created in 1908 and 1922. All allotments were assigned by the Secretary with a unique number, which is of record with the Bureau of Indian Affairs¹." Some of these individually-owned Indian trust lands may be owned by members of other federally-recognized tribes.

The other land status that is common on the Flathead Indian Reservation is fee land. Referred in the CSKT Comprehensive Resources Plan Volume I, fee land is "land that is not in trust status, nor is it federally, Tribally, or state owned." Some individual Tribal members own land in fee status on the Reservation²."

¹ Confederated Salish and Kootenai Tribes Comprehensive Resources Plan Volume 1; Retrieved from <http://www.cskt.org/tld/docs/compplanvolume1.pdf>

² Confederated Salish and Kootenai Tribes Comprehensive Resources Plan Volume 1; Retrieved from <http://www.cskt.org/tld/docs/compplanvolume1.pdf>



Mineral County, MT has the largest share of federal public lands (82.1%), and Lake County has the smallest (16.1%). Lake County has the largest share of state public lands (5.9%), and Mineral County has the smallest (2.9%). Lake County also has the largest share of Tribally-owned lands (30.3%), with Mineral County having none, and Sanders County having 15.2%. It is important to note that the statistics represented may not accurately reflect the percentage of Tribal ownership on the entire Flathead Indian Reservation which also includes portions of Missoula and Flathead Counties. Many statistics are not up-to-date regarding recent Tribal land purchases. As of 2010, CSKT owned approximately 2/3 of the Reservation, with less than 1/3 owned by non-Indian entities.

Historical Perspective

The region that comprises the Flathead Indian Reservation, Lake, Mineral, and Sanders Counties has been inhabited by various economies and peoples since time immemorial. The information provided below helps the reader gain a better understanding of the region's history, connection to the land, and its importance to the people.

The map³ shown on the next page depicts the aboriginal ranges for the Tribes that comprise the Flathead Nation, which include the Bitterroot Salish, Pend d'Oreilles, and the Ksanka band of the Kootenai Tribe.

The following information is provided courtesy of the Confederated Salish and Kootenai Tribes (CSKT). Further information can be found within CSKT's Comprehensive Economic Development Strategy and Comprehensive Resources Plan, Volumes I and II.

³ Confederated Salish and Kootenai Tribes Comprehensive Resources Plan Volume I (1996); Retrieved from <http://www.cskt.org/tld/docs/compplanvolume1.pdf>

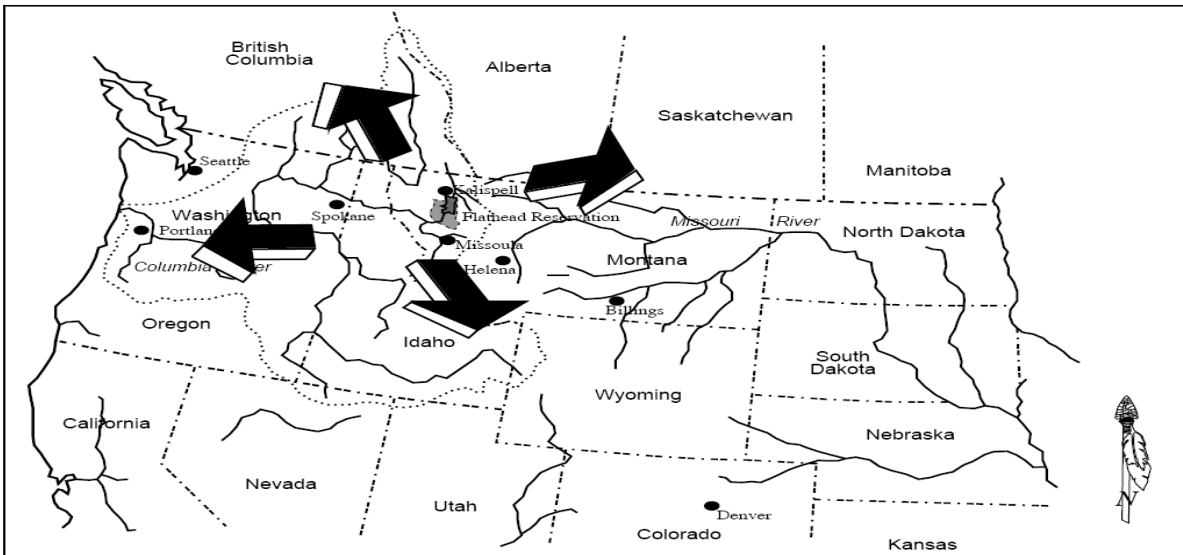


Figure 2.1. The Flathead Indian Reservation lies within the Rocky Mountain Plateau. Arrows indicate aboriginal ranges. The dotted lines follow the Columbia River Basin.

The Tribes Who Live Here⁴

“The Flathead Indian Reservation is home to two major Salish-speaking tribes – the Salish and the Pend d’Oreilles – and one of the six bands of the Kootenai Tribe, the Ksanka band. The history presented here is a compilation of Tribal elders’ oral histories, European-American historical interpretations and professional research on treaties and other documents. Because language barriers and cultural differences have, at times, led western historians to misunderstand events that involve the Tribes, it is useful to draw upon the oral histories of the Salish and Kootenai peoples as well as the historical record.”

“On the Flathead Indian Reservation, the designation “Confederated Salish” encompasses not only the Bitterroot Salish and the Pend d’Oreilles, but also Kalispell and Spokane Indians who settled on the Reservation. Elders say that these and other tribes were once one Salish speaking tribe. Thousands of years ago, this ancestral Tribal group divided into a number of different bands that later became tribes and occupied much of the Northwest, from British Columbia to Montana and beyond. Some bands lived throughout Montana from the Bitterroot to the Yellowstone valleys; the Pend d’Oreilles eventually settled in the Flathead Valley; and a band of Kalispell camped along the Flathead River near Perma, Camas Prairie and Paradise.”

“The Flathead Reservation lies within the Rocky Mountain Plateau. The Reservation is roughly 60 miles long and 40 miles wide, an area that is but a fragment of the Salish, Kootenai, and Pend d’Oreilles peoples’ aboriginal territory. The Reservation is a rural area, bordered on the south by Montana’s second largest urban trade center (Missoula, Montana) and on the north by one of Montana’s fastest growing (and now 4th largest) counties (Flathead County) in west-central Montana.”

“The members of the Salish, Kootenai and Pend d’Oreille Tribes live as a minority on their own Reservation. The ratio of non-members to members continues to increase with the current ratio being 7 non-members to 1 enrolled member of the Tribes. On the other hand, the total percentage of Indians living on the Reservation has increased from 24% in 1990 to approximately 30% in 2010, including those who claim either one race or two or more races, with one being

⁴ Confederated Salish and Kootenai Tribes Comprehensive Resources Plan, Volume I, History and Culture Chapter

American Indian. The Reservation encompasses 1.3 million acres of some of the most beautiful scenery and recreation resources in Montana. This, along with the fact that approximately 34% of the land base is in fee status⁵, and therefore open to ownership by non-members, explains much of the population growth occurring from the non-Indian immigration. Opportunities for college and vocational education within a Tribal community, ties to families and economic opportunities can explain a portion of the non-member Indian growth in population. Additionally, many Tribal families now include descendants of the Salish, Kootenai and Pend d'Oreilles who don't meet the enrollment requirements of the Tribes but are members of our families and identify as Indian."

Pre-Reservation Salish Economy and Government⁶

"Before the time of the Reservation, the Salish tribes gained subsistence from a Tribal system of hunting, fishing and harvesting. The quest for food began in the early spring with the bitterroot harvest. Tribal leaders appointed elders to watch for when the bitterroot was ready. When the time came, the leaders called the people together to dig enough roots for a feast to celebrate the year's first food and to pray that food would be plentiful."

"Along with the bitterroot, the people harvested other plants such as camas bulbs, tree moss, onions, Indian potatoes, Indian carrots, and medicinal plants. The people fished year-round. In summer and fall, the Salish hunted and picked berries, first strawberries and serviceberries, and later huckleberries, raspberries, chokecherries and Hawthorne berries. All of these activities were communal; the people worked together and helped each other. In the fall, the men concentrated more on hunting, while the women dried the meat and prepared hides for robes and buckskins. The Salish hunted many different animals, but mainstays were deer and bison. Each year, the people traveled east of the mountains, where game animals were plentiful. The Salish had a strong trade relationship with Nez Perce and traded bitterroot and high quality buckskin for Nez Perce corn husk bags filled with camas."

"Each tribe had a leader or leaders chosen for their character and integrity. The leaders governed by consensus, under guidance and advisement of respected elders. Different leaders had particular strengths or skills and their responsibilities reflected this. One chief might be in charge of the hunt. Another might lead various camp activities. A third would command war expeditions."

Pre-Reservation Kootenai Economy and Government⁷

"Before contact with non-Indians, the Kootenai Nation (also spelled Kootenay or Kutenai) numbered over ten thousand. Kootenai Indians inhabited what is now eastern British Columbia, the southern half of Alberta, northern Idaho, eastern Washington and western Montana. The Kootenai band that lived in the Dayton area of the Reservation called itself, A.kilcquanik, which translates as "Fish Trap People." The name comes from the Kootenai practice of setting traps in the creeks during the large fish runs."

"The Kootenai moved seasonally over a large territory. The seasonal round began in the early spring when the People traveled to fishing grounds. There the Kootenai caught bull and cutthroat trout, salmon, sturgeon and whitefish using a simple bone device and line, or harpoons with a detachable barbless point. The People also set traps and weirs in streams."

⁵ This number has decreased since 1996, with continued Tribal acquisition of fee land. CSKT has spent millions, paying fair market value, to re-acquire their homelands.

⁶ Confederated Salish and Kootenai Tribes Comprehensive Resources Plan, Volume I, History and Culture Chapter

⁷ Confederated Salish and Kootenai Tribes Comprehensive Resources Plan, Volume I, History and Culture Chapter

“In early May, as the fishing season came to a close, the root harvest began. The People dug bitterroot, camas and other roots. In mid-June, the band travelled east of the divide to hunt buffalo. Weeks later, the People returned with heavy loads of meat. From mid to late summer, the Kootenai harvested serviceberries, chokecherries, huckleberries and other fruits. When fall approached, some of the Kootenai organized communal deer drives, while others returned to the Plains to hunt buffalo. The Tribe cached surplus food for winter.”

“Deer were the most accessible and abundant of the game animals and deer meat was one of the most essential foods, but the Kootenai also hunted elk, moose, caribou, buffalo, mountain sheep and bear, as well as birds such as grouse, geese, and ducks....”

“The Kootenai lived in skin and mat-covered tepees (the latter woven from tulle and dogbane). The People used canoes to transport family and gear, and to fish for salmon they manufactured a unique covered canoe with a long projection at both bow and stern.... During times of peace, the Kootenai traded with other tribes, such as the Shoshone, Nez Perce, and Blackfeet....”

The Hellgate Treaty of 1855⁸

“In July of 1855, Governor Isaac Stevens of Washington Territory met with the chiefs of the Salish, Pend d’Oreilles and Kootenai near present-day Missoula. Their purpose was to negotiate a treaty between the Tribes and the United States government. After a long discussion, Stevens presented the assembled Indians with an agreement whereby the Kootenai and Pend d’Oreilles would live on the Jocko Reserve (now called the Flathead Reservation) and the Bitterroot Salish would remain in the Bitterroot Valley until the government surveyed it.”

“The final treaty stated that, “if...(the Bitterroot Valley should) prove, in the judgment of the President, to be better adapted to the wants of the Flathead tribe than the general (Jocko Reserve) provided for in this treaty, then such portions of it as may be necessary shall be set apart as a separate reservation for the said tribe.” The treaty went on to state that “no portion of the Bitterroot Valley (sic) above the Loo-lo Fork (sic) shall be opened to settlement until such examination is had and the decision of the President is made known.”

“In exchange for lands ceded by the Tribes, the federal government promised a cash settlement, as well as medical, agricultural, educational and vocational services and infrastructure. All of the tribes retained off-Reservation hunting, fishing, gathering and grazing rights and the exclusive use of the Reservation. Later, in October of 1855, the Flathead Nation executed a separate treaty reserving expressly, among other things, the right to hunt and fish in areas east of the Continental Divide.”

“More than 15 years after the treaty was signed, the United States Government had still not surveyed or examined the land in the Bitterroot Valley. In addition, substantial numbers of non-Indians had settled there in violation of the treaty.”

“Finally, in 1871, President Grant issued an executive order relocating the Salish to the Jocko Reserve and opening the Bitterroot Valley to non-Indian settlement. Grant sent James Garfield to negotiate the Tribe’s removal. The Salish sub-chiefs Arlee and Joseph consented to the move, but Chief Charlo refused. He and several hundred of his followers remained in the Bitterroot Valley until 1891, when the government forced them to move to the Jocko Reserve under military escort.

⁸ Confederated Salish and Kootenai Tribes Comprehensive Resources Plan, Volume I, History and Culture Chapter

Preservation of History and Culture⁹

“The history and culture of the Salish, Pend d’Oreille and Kootenai people is a central element of CSKT’s management perspective. [CSKT’s] cultures are written throughout the landscape and are present in both tangible and intangible forms. Physical (tangible) traces of [Tribal] ancestors are evident in the trail systems, archaeological sites, pictograph panels and scarred trees that are prevalent throughout our landscape. Other components of our history, those we are unable to see (intangible), are also dispersed throughout [CSKT’s] aboriginal territory. These intangible resources include our hunting and gathering locales, place name locations and fishing areas; places where [CSKT] ancestors perpetuated their culture that may not necessarily [have left] artifacts or features on the landscape for people to see. Together the intangible and tangible components of [CSKT’s] history are collectively referred to as cultural resources.”

“The connection that ... Tribal culture shares with the landscape has resulted in a dynamic relationship between the people of CSKT and their environment. CSKT has recognized the need to balance development projects with the need to preserve our unique and irreplaceable cultural resources. In 1995 CSKT’s Tribal Council found that, ‘the spirit and direction of the Confederated Salish and Kootenai Tribes of the Flathead Nation is founded upon and reflected in its cultural heritage ... the cultural foundation of the Tribes should be preserved as a living part of our community life and development in order to give a sense of orientation to the Salish, Pend d’Oreille and Kootenai people ... in the face of ever increasing energy, economic, residential, highway, and sanitation and public health developments, the present Tribal governmental and non-tribal governmental programs to preserve the Tribes’ cultural resources are inadequate to ensure future generations a genuine opportunity to appreciate and enjoy the rich heritage of the Tribes.’ (Tribal Ordinance 95)”

CSKT’s “Tribal Council followed these findings by adopting Ordinance No. 95, the Cultural Resource Protection Ordinance (CRPO). This ordinance established the Tribal Historic Preservation Department (THPD) and directed this department to, ‘identify, evaluate, and protect cultural, historic, and archaeological resources by regulating undertakings upon protected lands when they may result in changes in the character or use of such cultural resources.’

The Confederated Salish and Kootenai Tribes - Today¹⁰

The Confederated Salish and Kootenai Tribes are governed by a ten member Tribal Council. Five representatives are elected every two years to serve four-year terms. Each represents a geographic district, including two from Arlee and St. Ignatius, and one from Ronan, Pablo, Polson, Elmo-Dayton, Hot Springs-Camas Prairie, and Dixon, but is elected at large with Reservation-wide voting. The Tribal Council elects a Chairperson, Vice Chairperson, Tribal Secretary and Tribal Treasurer from amongst themselves at the first meeting following the seating of new Tribal Council Members. The Tribal Chairperson serves as the chief executive administrator of the Confederated Salish and Kootenai Tribes with Council appointments made for a Director of Administrative Services, Director of Financial Services, and Director of Tribal Services to serve at the pleasure of the Council and membership. The major Tribal offices are located in or near the Tribal Headquarters in Pablo, Montana.

The Tribal Council and all of the Tribal government are major drivers of the economy on the Flathead Reservation. They are also the protectors of the culture and traditions that have existed throughout time within the confederated Tribes. It is important to keep this in mind, as there will be no endorsement of any economic activity if it in any way will negatively impact the culture and traditions. These values are ever present and supported not only by the Tribal Membership, but

⁹ Correspondence from Ira Matt, Acting CSKT Tribal Historic Preservation Officer, 9-25-12.

¹⁰ Confederated Salish and Kootenai Tribes Comprehensive Economic Development Strategy; prepared by S&K Holding Company, 2010

by the majority of the residents of the Reservation. The following is excerpted from a study relative to the *Monetary Contributions of Reservations in Montana* completed in November, 2007 by the Bureau of Business and Economic Research.

The monetary contribution of the Flathead Reservation to the state of Montana places the community first amongst the eight reservation communities with a total of \$317,414,674 in expenditures and revenues. The expenditure table for Flathead lists the entities that contribute to the Reservation economy and their ranking order of contribution to the \$317,414,674.

The largest contributor to the Flathead Reservation in expenditures is the Confederated Salish and Kootenai Tribes of the Flathead Nation at \$182,931,610 or a 57.63% total contribution. As the expenditure table

Entity	Entity Total	Percentage of Total
Confederated Salish and Kootenai Tribes Tribes of the Flathead Nation	\$182,931,610	57.63%
Social Security Income*	\$32,753,445	10.32%
Retirement Income*	\$22,870,940	7.21%
Salish Kootenai College	\$21,244,813	6.69%
Ronan Public Schools	\$18,846,617	5.94%
Salish Kootenai Housing Authority	\$6,330,903	1.99%
Kicking Horse Job Corps	\$5,114,494	1.61%
Polson School District No. 23	\$4,946,029	1.56%
St. Ignatius School District	\$4,932,991	1.55%
Food Stamps	\$4,689,296	1.48%
Arlee Schools Joint District	\$4,382,091	1.38%
Supplemental Security Income*	\$2,922,125	0.92%
Bureau of Indian Affairs	\$2,640,000	0.83%
Dixon School District	\$1,127,640	0.36%
Hot Springs School District	\$743,341	0.23%
Charlo School District	\$464,732	0.15%
TANF	\$293,787	0.09%
Camas Prairie	\$171,662	0.05%
Upper West Shore	\$8,158	0.00%
Total Per Entity or Community	\$317,414,674	100.00%
*2000 Census		

demonstrates, the next significant contributors to the Reservation economy are Social Security at \$32,753,445 for a 10.32% contribution, and Retirement Income at \$22,870,940 for a 7.21% contribution. Salish Kootenai College follows at \$21,244,813 with a 6.69% contribution as does Ronan Public Schools at \$18,846,617 or a 5.99% contribution. The remaining entities listed within the table contribute less than 5% each to the Reservation's total. The Salish Kootenai Housing Authority, Kicking Horse Job Corps, Polson School District, St. Ignatius School District, Food Stamps, Arlee Schools, Supplement Security Income, Bureau of Indian Affairs, and Dixon School District contribute over a million dollars each to the \$317,414,674 total.

The revenue source table depicts the impact federal sources have on the Reservation's economy at 55.59%. The primary contributors--the Confederated Salish and Kootenai Tribes of the Flathead Nation, Social Security, Retirement Income, Salish Kootenai College and Ronan Public Schools--provide \$149,863,504 in federal dollars to the \$176,453,542 total. Earned income by the entities within the Reservation contributes 30.06% or \$95,429,752 to the Reservation economy and various sources contribute 8.34% or \$26,476,339. The State of Montana contributes 4.54% or \$14,408,796 to the Flathead Reservation. Lastly, fiduciary sources contribute 1.46% at \$4,646,245.

Federal	\$176,453,542	55.59%
Earned	\$95,429,752	30.06%
Various	\$26,476,339	8.34%
State	\$14,408,796	4.54%
Fiduciary	\$4,646,245	1.46%
	\$317,414,674	100.00%

The Region – Present Day

The overall evolvement from the historical lands of Native Americans to the present day boundaries of the Reservation and three Counties within the State of Montana have created complexities sometimes difficult to understand and navigate. These include a sovereign Indian nation, three county governments, and eight city and town governments. Each of these provides administrative, police, code enforcement, and public works services. As able, work is performed together on projects of mutual interest. The following is a breakdown of the governance landscape in the region:

- Sovereign Indian Nation
 - The Confederated Salish and Kootenai Tribes (Described above)
- County Governments (Described Below)
 - Lake County
 - Mineral County
 - Sanders County
- City and Town Governments
 - Polson (Lake County)
 - Ronan (Lake County)
 - St. Ignatius (Lake County)
 - Alberton (Mineral County)
 - Superior (Mineral County)
 - Hot Springs (Sanders County)
 - Plains (Sanders County)
 - Thompson Falls (Sanders County)

Unincorporated communities are generally under the jurisdiction of the County Government in which they are located, which provide many services, working through local fire districts, community boards, sewer and/or water districts, school districts and other local organizations. The Confederated Salish and Kootenai Tribes also provide wildland fire protection, road and bridge construction, post-secondary education and job training, housing, and sewer and water services for Tribal members and many non-members in the region.

Throughout the process of developing LCCDC's Comprehensive Economic Development Strategy, several focus areas became thematic within the region as being primary areas of development and most likely to significantly affect the future economies of the region, and to create living wage jobs for its citizens. This section discusses both the existing conditions of these industry sectors and the potential opportunities, both regionally and from the perspective of the individual counties, with some perspective from the Confederated Salish & Kootenai Tribes as described in their 2010 *CEDS* document. It should be noted that while economic development throughout the region is heavily impacted by the presence and influence of the Tribes, it is most obviously felt in Lake County and intertwined with the activities of the sectors of that economy. For this reason, existing conditions for some sectors are described under one heading for Lake County and the Flathead Reservation. Every attempt has been made to segregate and explain those strategic objectives that are clearly identified and controlled by the Tribes.

While the writers have not found any areas of specific conflict or opposing views, there is a natural expectation that the Tribes implement plans and prioritize objectives separately as a sovereign nation, keeping the needs of their members as their first priority, while recognizing the needs of the entire Reservation community. For instance, increasing access to financial services and increasing direct technical assistance to emerging and growing companies is a mutual goal; however, while Lake County Community Development bears primary responsibility for providing those services to all businesses in Lake County, CSKT prioritizes services to Indian-owned businesses. The following Industry Sectors are considered to have the highest potential for development throughout the region. They represent both increased opportunities for job creation (at or above living wages) and the need for continued development of a skilled workforce that can take advantage of these new opportunities. CSKT supports these opportunities provided that development does not negatively impact the natural and cultural resources of the region:

- Commerce and Industry (including Manufacturing)
- Health and Human Services
- Food and Agriculture Industries
- Natural Resources and Energy Development
- Technology
- Tourism

Our collective abilities to support these growing industry sectors depend heavily upon our abilities to provide the intrinsic community infrastructure necessary to support this growth. These critical areas include:

- Housing
- Public Infrastructure and Transportation Systems
- Education and Workforce Development, including Technical Assistance to Emerging and Growing Businesses
- Financial Services to Support Growing Businesses

Lake County - Today

Nowhere in the region is the division of government responsibility more apparent than in Lake County, where within the geographic boundaries, “government” is comprised of the governing center of a sovereign Indian Nation, the County government itself, and three city and town governments. Local, state, Tribal, and federal governments and entities strive to nurture a “government-to-government” relationship with each other. . Economic development organizations and other partners within the Western Rural Development Region work with each of these governing agencies to coordinate projects of mutual interest—all of which work hard for the betterment of the communities throughout the Reservation and region.

Lake County is governed by a three member Board of Commissioners who serves staggered six year terms, with a chairperson selected annually by the commissioners from amongst themselves. Most county offices are located in the courthouse building in the county seat of Polson. Many services are provided by districts, such as school, water, fire, and ambulance. All of these are administered by boards composed of elected or appointed residents of their respective districts.

Like all counties in Montana, government services rely on collected property and other taxes and fees for providing services to the general public. As much as 70% of the County lies within the borders of the Flathead Indian Reservation, and relatively few acres are federally held, thereby reducing sources of revenue from the Federal *Secure Rural Schools Act* or *Payment in Lieu of Taxes* that help support neighboring Counties that encompass more federal land. Fortunately with regard to schools, federal Impact Aid funds are paid to the school districts for all Tribal and non-Tribal children living on,

or whose parents work on, Indian trust land. This funding provides approximately \$3,000 per child, and for those with disabilities or special needs, even more funding is provided. CSKT assists Lake County with road and bridge construction, wildland fire fighting, post-secondary education and job training, housing, and sewer and water services for Tribal members and many non-members in the region. However, having enough money available to pay for services is a constant challenge for Lake County. County revenues and expenses for FY2011 from the County's recent audit were:

Revenues		Program Expenses	
<i>Program revenues (by major source):</i>		General government	\$3,164,078
Charges for services	\$1,593,602	Public safety	5,629,342
Operating grants and contributions	3,372,970	Public works	2,937,368
<i>General revenues (by major source):</i>		Public health	866,123
Property taxes for general purposes	9,140,324	Social and economic services	442,131
Liquor tax apportionment	31,781	Culture and recreation	82,603
Video poker apportionment	2,700	Housing and Community Development	423,573
Miscellaneous	95,293	Debt service - interest	60,697
Interest/investment earnings	84,074	Internal services	254,262
PILT	420,495	Miscellaneous	235,702
State entitlement	868,278	Unallocated depreciation *	-
Contributions and donations	11,150	Solid Waste	-
Local Option Tax	475,862	TOTAL EXPENSES	\$14,095,879
Licenses and Permits	<u>116,745</u>		
TOTAL REVENUES	\$16,213,274		

The incorporated towns of Ronan and St. Ignatius have a mayor-city council form of government. Polson has a city manager-city council form of government. All three towns provide administrative, police, code enforcement and public works services. In several of the public service agencies, such as law enforcement and fire services, there are overlapping jurisdictions between county, city, and tribal agencies.

The County occupies an area of 1,653.8 square miles. Polson is the county seat and the state's 18th largest city. Lake County was one of the last counties established (1923) and is named after Flathead Lake, the majority of which lies within the county's borders. The county is also home to the Confederated Salish and Kootenai Tribes of the Flathead Indian Reservation. Within Lake County are the Mission Mountain Range and Tribal Wilderness Area, the National Bison Range, the Ninepipe and Pablo National Wildlife Refuges, and multiple Tribally-protected wildlife management areas. Recently released information from the U.S. Census Bureau reports that Lake County is home to 28,605 people, 24% of whom are American Indian.

The median age in Lake County is 39.8 and the number of households is reported at 10,985, with an average household size of 2.5 and average family size of 2.97. The population is slightly more female (50.8%) than male (49.2%). One of three incorporated places in Lake County, Polson had an estimated population in 2009 of 5,231. Other incorporated cities include Ronan (pop. 1,999) and St. Ignatius (pop. 807). Unincorporated areas include Pablo (headquarters for the Confederated Salish and Kootenai Tribes), Arlee, Big Arm, Charlo, Dayton, Moiese, Ravalli, and Woods Bay.

According to 2006 ESRI (Economic and Social Research Institute) community tapestry information, just over one-third of Lake County residents are classified as Rural Resort Dwellers. This lifestyle segment favors milder climates and

pastoral settings in rural areas mainly consisting of single-family and mobile homes, with a significant inventory of seasonal housing. It is a somewhat older market with higher-than-average proportions of self employed and working from home. Modest living and simple consumer tastes describe this market segment.

Mineral County - Today

Mineral County is managed by a three commissioner form of government and employs in excess of 50 individuals. Each of the three representatives is from a district with equal population estimates. The Commissioners are elected for staggered six-year terms. The Towns of Alberton and Superior have elected mayors and council representatives as their form of government. Mineral County is in Western Montana bordered to the west by Idaho, the south by the Bitterroot Mountains, the north by Sanders County, and east by Missoula County. Interstate 90 runs east/west through the county as does the Clark Fork River. It has a population of 4,223 (2010), and a Per Capita Income of \$28,596, 72% of national average.

A large portion of Mineral County is public lands, 84% federal and 5% state. This is both an asset and a liability to the County. The public lands provide a huge resource for economic opportunities, in recreation, restoration work, tourism, etc. On the other hand, the small amount of private land does not create a large tax base for the county. Several federal programs (Payment In Lieu of Taxes and Secure Rural School and Community Act), that help assist communities that have large tracts of public lands, have declined and have recently experienced some concern over their longevity, this creates economic instability in the county. The median age in Mineral County is 46.5 and the number of households is reported at 1,911, with an average household size of 2.20 and an average family size of 2.69. One of the two incorporated place in Mineral County, Superior has an estimated population of 812 in the 2010 Census. The other incorporated community includes Alberton (pop. 420). Unincorporated areas include De Borgia Haugen, Riverbend, Saltese, St. Regis, and Taft.

With the low population, and small private property base, the County's budget would be decimated without the assistance from both the *Secure Rural School and Community Self-Determination Act* and the *Payment in Lieu of Taxes (PILT)* that the County receives, which account for more than 10% of its entire budget. Revenues and Expenses shown below:

Revenues

Program revenues (by major source)

Charges for Services	440,336
Operating grants and contributions	0
Capital grants and contributions	0

General Revenues (by major source)

Property taxes for general purposes	1,275,679
Liquor tax apportionment	0
Video poker apportionment	0
Miscellaneous	47,315
Interest/investment earnings	200,239
Refuge revenue sharing	0
PILT	0
State entitlement	156,852
Grants and entitlements not restricted	0
Intergovernmental agreements	2,202,357
Licenses and Permits	4,855
Contributions & Donations	0
Fines & Forfeitures	160,437
Total Revenue	4,488,070

Program Expenses

General government	1,874,380
Public safety	1,026,220
Public works	65,719
Public health	748,733
Social and economic services	97,290
Culture and recreation	0
Housing & Community Development	0
Debt service – Interest	0
Internal services (Utilities/Insurance)	284,227
Miscellaneous	93,373
Unallocated depreciation	116,408
Total Expense	4,306,350

**Unaudited from County Records

The largest employer in Mineral County is Tricon Timber, a dimension lumber sawmill and post & pole operation. Mineral County Hospital is the second largest employer. The hospital has opened clinics in St Regis, DeBorgia and Alberton. Plans are underway to build a new hospital and turn the old hospital into a medical learning center. The receipt of a large grant has placed Mineral in the lead of frontier medicine and the provision of services to rural areas. Retail Trade, Accommodations and Food Service, and Manufacturing are the three biggest economic sector employers in the county currently. This is a change from the historic dominance of the timber and mining industry.

Economic development in the county has long been tied to the wood products industry, which has severely decline. The region's timber industry no longer provides the economic stability that it once did. For this reason, it has become obvious that the region must diversify its economy and capitalize on other opportunities within the region.

Mineral County is only 45 minute drive from Missoula, MT (population 65,000), and fast becoming a bedroom community for Missoula. Mineral County has an unemployment rate of 13.2% (2010), though it is believed that some people have fallen off the unemployment statistics due to long term unemployment.

Historically, Mineral County communities were built around timber and mining. In 1994 the Crown Pacific Inland Mill shut down directly laying off over 140 people and indirectly ending 350 jobs. The community has since struggled to maintain the skilled workforce and replace the good paying mill jobs that were lost. Some progress has been made, Tricon Timber, the only remaining sawmill in the county, opened a post and pole plant on a portion of the old mill and Johnson Brothers has opened a pellet mill. Much of the skilled labor force has gone to the oilfields in Eastern Montana and North Dakota leaving families behind.

The County residents realize that the sole dependence on one industry will not bring long term stability to their communities. Retail Trade and Accommodations and Food Service are the fastest growing sector but fail to provide living wage jobs with benefits. In 2005 Leisure and Hospitality supplied 24% of the jobs in the county and paid an average annual wage of \$9,103.00.

Sanders County - Today

Sanders County is governed by a three member Board of Commissioners who serve staggered six year terms, with a chairperson selected annually by the commissioners from amongst themselves. Most county offices are located in the courthouse building in the county seat of Thompson Falls. Many services are provided by districts, such as school, water, fire, and ambulance. All of these are administered by boards composed of elected residents of their respective districts. There are three incorporated communities in Sanders County: Hot Springs, Plains and Thompson Falls, which is the county seat. The county also contains a portion of the Flathead Indian Reservation. Sanders County is the 18th most populous county in the state.

The median age in Sanders County is 48.1 and the number of households is reported at 5,121 with an average household size of 2.19 and an average family size of 2.75. The population is slightly more male (50.1%) than female (49.9%). One of three incorporated places in Sanders County, Thompson Falls has an estimated population 1,313 in the 2010 Census. Other incorporated communities include Hot Springs (pop. 544) and Plains (pop. 1,048). Unincorporated areas include Dixon, Heron, Lonepine, Niarada, Paradise, Noxon, and Trout Creek.

Sanders County is rural, spanning 130 miles of the lower Clark Fork river valley in northwest Montana. The area consists of forested valleys with mountain ranges on the west end and agricultural lands to the east. Distances between county communities contribute to a feeling of remoteness that attracts individuals to the area seeking the rural quality of life. Bordered on the west by the Idaho Panhandle, Sanders County was named for Wilbur Fish Sanders, early Montanan and U.S. Senator. Its history is similar to that of Lake and Mineral Counties in that fur trade brought the first non-Indian settlement of the area. Agricultural enterprise is evident throughout the county ranging from the traditional agriculture of crops and livestock to experimentation with various types of fruits (e.g. apples, cherries) and wholesale nursery products. Parts of the county are remote and lacking in wired or wireless broad band coverage, including mobile telephone and internet access.

Forestry, wood products, agriculture and mining have traditionally dominated economic conditions throughout the history of the county. In the past, Sanders County has been one of the top timber producing counties in the state. Timber harvests occur on national forest lands, corporate timber lands, state and Tribal land and other private holdings. Mining has also been important to the economy of Sanders County. However, timber sales and mining expansion efforts have been significantly impacted by litigation opposing these industries in the federal courts.

The recent economic recession has also negatively impacted industry within Sanders County, particularly the wood products industry. Hydroelectric dams play a considerable role in Sanders County economy, both for the contribution to the County's tax revenues and because the reservoirs from several operations are significant contributors to the growing recreation and tourism industry in the county. It is apparent that future planning for economic growth must consider other opportunities, such as tourism and technology.

Sanders County, like Mineral County, has a high percentage of federal forest lands. Under current congressional legislation, this qualifies the Counties for funds through both the Secure Rural Schools Act and federal *Payment in lieu of taxes* commonly known as *PILT*. As small counties, with limited populations, these funds are critical for the County budgets. This funding has recently been the subject of possible budget cuts at the federal level, a move which would further devastate the operational budgets of these rural counties. The following tables reflect the county's Revenues and Expenses for Fiscal year 2011:

Revenues

Program revenues (by major source)

Charges for Services	9,930
Operating grants and contributions	3,410,749
Capital grants and contributions	1,128,277

General Revenues (by major source)

Property taxes for general purposes	3,495,845
Liquor tax apportionment	2,750
Video poker apportionment	
Miscellaneous	520,196
Interest/investment earnings	87,023
Refuge revenue sharing	13,907
PILT	358,283
State entitlement	823,028
Grants and entitlements not restricted	72,523
Intergovernmental agreements	
Licenses and Permits	12,288
Contributions & Donations	19,080
Local Option Tax	320,238
Fire	19,500

Total Revenue	\$10,293,877
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Program Expenses

General government	2,418,728
Public safety	2,105,668
Public works	3,391,162
Public health	291,954
Social and economic services	387,386,
Culture and recreation	405,063
Housing & Community Development	1,104,601
Debt service – Interest	4,191
Miscellaneous	208,855
Total Expense	\$ 10,317,608

CRITICAL INFRASTRUCTURE AND HUMAN CAPITAL

As described previously, the region continues to struggle to find ways to fund the appropriate infrastructure needed to support economic growth throughout all business sectors. The following sections describe the current status of those critical areas including:

- Housing
- Public Infrastructure
- Transportation
- Education and Workforce Training
- Financial Services



City of Ronan Water Project, Ronan, MT, 2012

SUB-CATEGORY: HOUSING

WESTERN RURAL DEVELOPMENT REGION

WESTERN RURAL DEVELOPMENT REGION

Housing Overview

It is nearly impossible to describe the magnitude of the lack of affordable housing within the region, both in homeowner units and rental units. Strong housing demand has created a growing affordability gap that is at crisis proportions. This increasing shortage of affordable housing affects workforce availability, workforce stability, workforce retention, delivery of basic and enhanced human services, school enrollments, municipal funding, and business retention, expansion and recruitment. Affordable housing is at the very root of economic development, or lack thereof. The benefits of affordable housing production include the economic return from construction, jobs created, taxes generated, and the leveraging of private funds. Every effort must be made to increase the availability and long term sustainability of affordable purchased-unit and rental housing stock whether through new construction, rehabilitation, incentives to developers, upper floor residential in the downtown, or any other appropriate means while keeping in mind the efficient use of available land.

As shown in the Montana map below (Realtytrac.com), western Montana has been the hardest hit with foreclosures, with Flathead County to the north of the region, leading the pack. Mineral County had a slightly higher rate than Lake and Sanders, but despite the recession, and the overall increase in foreclosures, housing prices have not fallen substantially except in the higher price ranges, which are already far beyond affordability for most families in the region. At the same time, rental costs have generally increased to offset the rising costs of energy and maintenance, and in response to increased demand.

As shown in the following pages, excerpted from the White Paper on Housing in Montana – 2010 (Montana Department of Commerce) in all three counties, the median home cost rose by an average of 32% from 2000 to 2008, with Mineral County's costs nearly doubling, and Sanders County showing a small reduction in costs. For the same period, median household income showed a 21% increase on average, ranging from Sanders County's low of 8.8% to Lake County's 30.8%. Throughout the period, the established gap between housing costs and affordability either maintained or grew, with most average wage earners needing to pay far more than HUD's estimated 30% of gross income "standard" for housing, whether they are renting or buying. The White Paper further estimates that, based on population projections, and the overall condition of housing in the region, a total of 10,869 additional units will need to be created by 2025, some of which may come from rehabilitating those now in existence, but in such poor condition that they do not provide safe and secure housing for their occupants.

The region has several established housing organizations that work with families and banks to provide home ownership training workshops and help families establish a plan under which they can purchase a home after meeting certain qualifying requirements. Most area banks participate in a HomeStart savings plan for lower income families wanting to purchase a home and the Montana Board of Housing offers low interest mortgages for qualified families to assist them in keeping payments as low as possible.

Priorities identified by the housing agencies include the encouragement of housing development within the service bases of public water and sewer systems; upgrading the current, aging housing stock to assure residents have access to safe, decent, and healthy living environments for either rent or purchase; increasing the availability of rental assistance programs to assure our lowest income families have access to the decent housing that is available; and increasing the availability and access to affordable single-homes for middle income families.

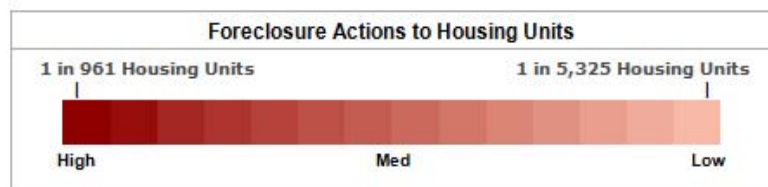
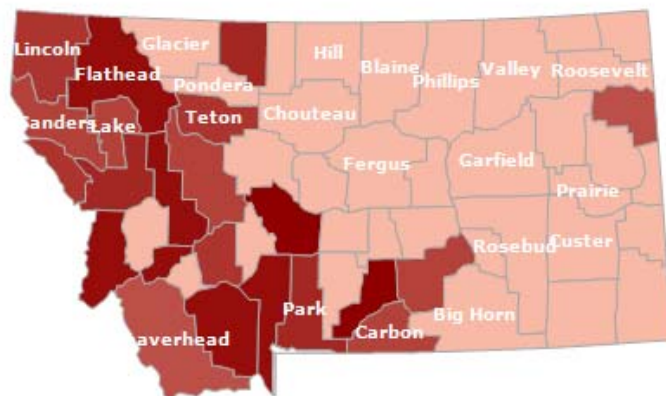
Within most communities there are blighted housing areas, which should be addressed, either through removal or rehabilitation. When removal and infill is the best option, it is important that the overall character of new infill housing blend within the community character. Well-designed housing that fits within the natural setting can also be affordable. In addition, options to traditional single-family, suburban-style subdivisions and conventional multifamily units are both needed and desirable.

March 2012 Foreclosure Rate Heat Map

Montana Real Estate

Trends:

- 1,500 Foreclosure Homes
- \$194,143 was the average foreclosure sales price
- 1 in every 2,999 housing units received a foreclosure filing in March 2012



Source: www.realtytrac.com/trendcenter/mt-trend.html



Sherwood Court, Plains, MT

Funds: NSP Neighborhood Stabilization Program

Sanders County Community Housing Authority in association with Sanders County, Lake County Community Development Corporation, and Montana Department of Commerce.

LAKE COUNTY AND THE FLATHEAD INDIAN RESERVATION

Housing Overview

More than 75% of all housing units in Lake County are single-family, detached and the majority of homes (63.9 percent) have been constructed since 1970. Just over 74% of the housing stock is occupied and of the occupied housing, one-third are renter occupied and two-thirds are owner occupied. However, these numbers do not reflect occupancy of seasonal homes, the majority of which are located in the Swan Valley and Flathead Lake areas. When the seasonal homes were not counted as vacant, Lake County had a 5.4% vacancy rate in 2010.

A much needed “leveling” of property values has occurred as a result of the recession, following a decade where values rose dramatically in response to the demand from prosperous newcomers either relocating to the scenic area or purchasing second homes. As a result the somewhat artificial higher prices, the average Lake County family has struggled to find either affordable rental property or affordable home ownership opportunities.

The 2010 census reported 40.6% of homeowners had costs that exceeded 30 percent of their household income and 32.8% of renters shared the same problem, which is higher than the state average. Even with rental costs being lower than the state average, the county’s lower per capita income causes housing affordability in Lake County to be an issue for a significant percentage of the population for at least the next several years.

The City of Ronan started a public housing authority (PHA) in 1992 to address affordable housing issues in the central part of the Mission Valley. A county-wide community housing development organization (“Lake County CHDO”) was organized in 1997 to better serve the needs of the county’s typically lower-income households who represent an estimated 55% of the population. The organizations are co-managed from Ronan as the Lake County Housing Center, operating 129 rental properties in addition to rental assistance and first time home buyer programs.

The Salish Kootenai Housing Authority (SKHA) was established by Tribal Council action in 1963, primarily serving Tribal members throughout the Reservation. Ordinance 38B established the Housing Authority as a separate Tribal entity. In 1985, under Tribal reorganization, the management of other housing services was transferred to the Housing Authority including the USDI Bureau of Indian Affairs Housing Improvement Program (HIP), Weatherization Program, Indian Community Development Block Grant (ICDBG) Program and the Tribally managed community water and sewer systems. In 1994 the Indian Health Service Construction (IHS 121) Program, including the project engineer and inspector for sewer and water services, were added to the Housing Authority’s management team. This transfer, including the HIP Advisory Board, unified all housing services to make it easier for the membership to access its programs. In 1996, Ordinance 38C was adopted to establish the changes brought about with the enactment of the Native American Housing Assistance and Self-determination Act of 1996. Since its inception, the Housing Authority has grown to meet the needs of the Reservation. Nearly 700 units are under management which includes rental, homeownership, 50 units of Tenant Based Assistance and an 80 lot trailer and duplex park.

CSKT also provides low-cost lease lots for Tribal member homes, and the Tribal Lands Department manages over 1,200 home site land leases. Some of these lots have homes on them that were built by SKHA, and others were purchased or built directly by Tribal members. The Tribes require that used modular and trailer homes pass an inspection before being placed on a lease lot, and SKHA has worked to renovate many of the older homes that have been placed on these lots, but there are many more that require work. SKHA also provides Homebuyer Education classes and down payment assistance when feasible.

According to the 2005 Housing Condition Study, 1.6% of the housing stock in Lake County is rated as unsound or in very poor condition; and another 10.5 percent is rated in poor condition; with another 4.6 % rated only as fair. This is significantly better than the statewide average where 24.2 percent of housing units are in need of serious maintenance. However, 31.7% of the homes in Lake County were rated as having cheap, poor or low cost materials and quality versus the state average of 21.8%. This high percentage of below average workmanship may be due to the lack of building code requirements in the unincorporated areas of the county and will likely result in higher overall maintenance costs. Overall, long-term availability of affordable housing and a wider range of housing units to meet the needs of the population are the most critical need. Lack of affordable housing hinders job creation and business development.

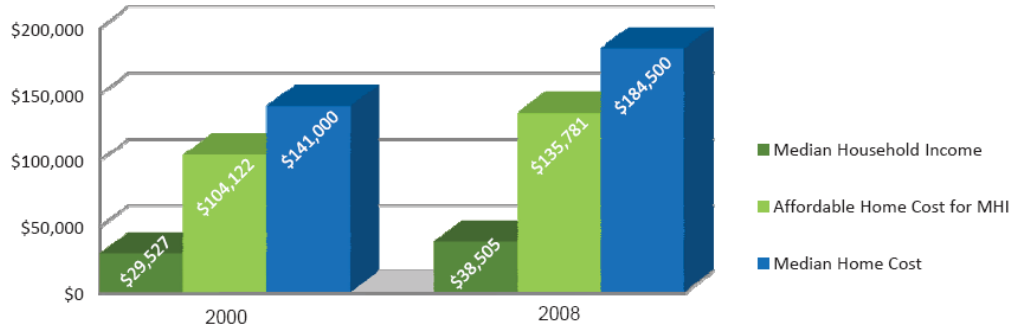
Housing Data and Statistics for Montana

Data was collected by the Housing Coordinating Team for this White Paper in an effort to document the housing affordability problems experienced by Montanans across the entire state. Our only goal is that this illumination of problems can help lead to solutions for the future.

County:
Lake



Housing Affordability Gap



The Ability to Obtain Affordable Housing with their Income

Select Occupations	2000				2008			
	Average Annual Pay	Median Home Cost	* Home Affordability Excess or Shortfall	% of income to rent 2-bedroom apartment	Average Annual Pay	Median Home Cost	* Home Affordability Excess or Shortfall	% of income to rent 2-bedroom apartment
All single-income Wage Earners	\$29,187	\$141,000	(\$38,077)	21.5%	\$32,550	\$184,500	(\$69,718)	25.0%
Licensed Practical Nurse	\$37,740	\$141,000	(\$7,917)	16.6%	\$53,920	\$184,500	\$5,639	15.1%
Police Officer	\$30,980	\$141,000	(\$31,755)	20.2%	\$38,750	\$184,500	(\$47,855)	21.0%
Elementary School Teacher	\$31,510	\$141,000	(\$29,886)	19.9%	\$37,100	\$184,500	(\$53,674)	21.9%
Retail Salesperson	\$17,980	\$141,000	(\$77,597)	34.8%	\$23,480	\$184,500	(\$101,702)	34.6%
Individual with Disability, sole income = SSD + SSI	\$11,592	\$141,000	(\$100,122)	54.0%	\$16,055	\$184,500	(\$127,886)	50.6%
Senior on fixed-income	\$10,967	\$141,000	(\$102,326)	57.1%	\$13,622	\$184,500	(\$136,464)	59.7%
Police Officer and Licensed Practical Nurse	\$68,720	\$141,000	\$101,329	9.1%	\$92,670	\$184,500	\$142,284	8.8%
Two incomes: Two Teachers	\$63,020	\$141,000	\$81,229	9.9%	\$74,200	\$184,500	\$77,153	11.0%

* (red) indicates homebuyer shortfall and/or rent which exceeds 30% of income

Housing Units and Structure-type data

Homeownership rate in 2000 = 71.5%
Households in 2000 = 10,192
Households in 2008 = 11,475
% change in population, 2008 to 2025 = 24.0%
% change in households, 2008 to 2025 = 31.4%
% of population aged 65+ in 2025 = 24.3%

Estimated Housing Units needed by 2025

Housing Units	Units in Poor Condition Lost by 2025	Units in Good Condition Available in 2025	Total Housing Units Needed by 2025	New Housing Units that must be created by 2025
TOTAL	2,299	11,876	18,854	6,978
Single-family	505	10,197		?
Multi-family	336	537		?
Mobile Home	1,458	1,142		?

The data in the table gives a rough estimate of housing needs and some suggested options for the county in meeting those needs in the future. One option is to focus on rehabilitating the units in poor condition. This will reduce the number of new units needed. The type of new units will be determined entirely by whether they will be owned or rented. The higher the housing costs relative to incomes, the more expensive both rental and homeownership housing will be and the fewer new homeowners will be created between the years 2008 and 2025. What types of housing structures best fit the county's needs for homeowner and renter households in the future, given the costs of homeownership and rental units projected in charts above?

% of Median Renter Income to Rent a 2-bedroom apartment



% of Income of Senior on fixed-income to Rent a 1-bedroom apartment



The generally accepted standard definition of **Affordable Housing** is that housing costs do not exceed 30% of income.

MINERAL COUNTY

Housing Overview

The Towns of Alberton and Superior and the community of St. Regis have the highest concentration of lots that would be considered typical town lots. These three communities have a mixture of frame houses, mobile homes and trailers¹¹.

The urban area development is generally located within one to two miles of the Clark Fork River Valley to correspond with the private land ownership. The urban development follows the same general pattern for the St. Regis River Valley.

Mineral County has 235 subdivisions. The large scale development in urban settings is creating new challenges for the county infrastructure and for the county to provide services. Residential development in the Alberton and Superior areas follows very close to the same general pattern of residential use that was evident at the time the interstate was constructed.

Some expansion of residential use has occurred, however the lack of demand because of economic conditions that triggered a loss of population in the 80's has resulted in minimal changes in the residential community. Some residential lots in the peripheral areas have been developed since then, and there has been some infill on vacant lots in the towns as would be expected. Alberton and Superior have continued to provide for most of the multiple family needs in the county while maintaining the preference for one and two family units in residential neighborhoods.

Mobile homes represent a very significant part of the residential development in virtually all of the communities of Mineral County. Over 20% of the residential land in Alberton and Superior is used for mobile homes, and approximately 40% is used for mobile homes in the St. Regis and DeBorgia areas. The Existing Land Use Maps show the pattern of residential development based on current Department of Revenue data, and also shows the distribution of parcels considered vacant or open. This indicates that there is a very limited potential for a significant amount of residential infill on vacant lots in residential areas covered on the maps.

The 2010 census reported 40.3% of homeowners had costs that exceeded 30 percent of their household income and 32.8% of renters shared the same problem, which is higher than the state average. Even with rental costs being lower than the state average, the county's lower per capita income causes housing affordability in Mineral County to be an issue for a significant percentage of the population, where 64% of households are estimated at or below median income. Affordable Housing programs in Mineral County are predominantly provided through the Missoula Human Resource Council, District XI.

According to the 2005 Housing Condition Study, 1.5% of the housing stock in Mineral County is rated as unsound or in very poor condition; and another .2.6% is rated in poor condition; with another 11.6 % rated only as fair. This is significantly better than the statewide average showing that 24.2 percent of housing units are in need of serious maintenance. However, 49.1% of the homes in the County were rated as having cheap, poor or low cost materials and quality versus the state average of 21.8%. These figures may be skewed when considering that mobile homes represent over 37% of the housing stock in Mineral County, which are statistically rated as being of higher quality workmanship and in better physical condition than the stick-build houses, of which 63.7% were built prior to 1970.

¹¹ Mineral County Growth Policy

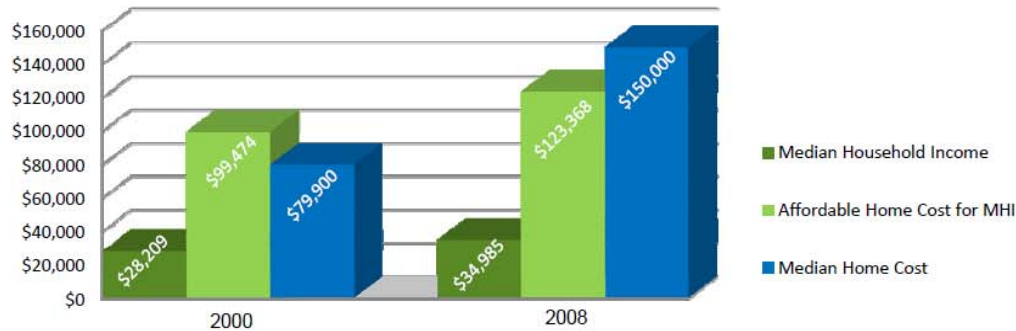
Housing Data and Statistics for Montana

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County:
Mineral



Housing Affordability Gap



Select Occupations	The Ability to Obtain Affordable Housing with their Income							
	2000				2008			
	Average Annual Pay	Median Home Cost	* Home Affordability Excess or Shortfall	% of income to rent 2-bedroom apartment	Average Annual Pay	Median Home Cost	* Home Affordability Excess or Shortfall	% of income to rent 2-bedroom apartment
All single-income Wage Earners	\$29,187	\$79,900	\$23,023	21.5%	\$32,550	\$150,000	(\$35,218)	29.3%
Licensed Practical Nurse	\$37,740	\$79,900	\$53,183	16.6%	\$53,920	\$150,000	\$40,139	17.7%
Police Officer	\$30,980	\$79,900	\$29,345	20.2%	\$38,750	\$150,000	(\$13,355)	24.6%
Elementary School Teacher	\$31,510	\$79,900	\$31,214	19.9%	\$37,100	\$150,000	(\$19,174)	25.7%
Retail Salesperson	\$17,980	\$79,900	(\$16,497)	34.8%	\$23,480	\$150,000	(\$67,202)	40.7%
Individual with Disability, sole income = SSD + SSI	\$14,343	\$79,900	(\$29,323)	43.7%	\$17,330	\$150,000	(\$88,888)	55.1%
Senior on fixed-income	\$11,184	\$79,900	(\$40,463)	56.0%	\$13,891	\$150,000	(\$101,016)	68.7%
Police Officer and Licensed Practical Nurse	\$68,720	\$79,900	\$162,429	9.1%	\$92,670	\$150,000	\$176,784	10.3%
Two incomes: Two Teachers	\$63,020	\$79,900	\$142,329	9.9%	\$74,200	\$150,000	\$111,653	12.9%

* (red) indicates homebuyer shortfall and/or rent which exceeds 30% of income

Housing Units and Structure-type data

Homeownership rate in 2000 = 73.0%
 Households in 2000 = 1,584
 Households in 2008 = 1,654
 % change in population, 2008 to 2025 = 19.8%
 % change in households, 2008 to 2025 = 29.9%
 % of population aged 65+ in 2025 = 26.1%

Estimated Housing Units needed by 2025

Housing Units	Units in Poor Condition Lost by 2025	Units in Good Condition Available in 2025	Total Housing Units Needed by 2025	New Housing Units that must be created by 2025
TOTAL	367	1,931	2,561	630
Single-family	237	1,169		?
Multi-family	38	112		?
Mobile Home	92	650		?

The data in the table gives a rough estimate of housing needs and some suggested options for the county in meeting those needs in the future. One option is to focus on rehabilitating the units in poor condition. This will reduce the number of new units needed. The type of new units will be determined entirely by whether they will be owned or rented. The higher the housing costs relative to incomes, the more expensive both rental and homeownership housing will be and the fewer new homeowners will be created between the years 2008 and 2025. What types of housing structures best fit the county's needs for homeowner and renter households in the future, given the costs of homeownership and rental units projected in charts above?

% of Median Renter Income to Rent a 2-bedroom apartment



% of Income of Senior on fixed-income to Rent a 1-bedroom apartment



The generally accepted standard definition of **Affordable Housing** is that housing costs do not exceed 30% of income.

Montana Department of Commerce, Housing Coordinating Team, White Paper, June 2010

White Paper can be found in its entirety at housing.mt.gov

SANDERS COUNTY

Housing Overview

The lack of affordable housing and the need for a wider range of housing units within Sanders County continues to represent a major challenge. Lack of affordable housing for existing and potential residents hinders job creation and business development.

A community needs assessment conducted in 2005 revealed the following relative to housing issues:

- The towns of Hot Springs, Dixon, Noxon and Heron (all with high low-income populations) cited needs for low-income housing, assisted living and transitional housing with on-site management. A senior citizen bus is needed to take elderly and disabled persons and veterans to their medical appointments in Missoula, Sandpoint and Spokane.
- Low income housing is needed for those who could not afford the land, homes and rentals in Thompson Falls. Many live in Hot Springs because they cannot find affordable housing elsewhere.
- There is an interest in starting a “self-help” housing project but there was concern relative to whether or not enough families would sign up for it.
- Thompson Falls is becoming more of a retirement community and the demand for higher end rentals is driving up the whole market. There are long waiting lists for anything in the \$500/month range.

The 2010 census reported 54.3% of homeowners had costs that exceeded 30 percent of their household income and 54.3% of renters shared the same problem, which is higher than the state average. Even with rental costs being lower than the state average, the county’s lower per capita income causes housing affordability in Sanders County to be an issue for a significant percentage of the population.

A county-wide community housing development organization (Sanders County Community Housing Organization) was organized in 2003 to better serve the needs of the county’s typically lower-income households who represent an estimated 56% of the population. In 2012 through HUD’s NSP program (Neighborhood Stabilization Program) they completed the procurement and re-construction of a small neighborhood of foreclosed duplexes in Plains and now operate those within their Affordable Housing Program. These 10 mortgage free units represent the startup of SCCHO’s housing inventory. Other functions include managing a first time homebuyers program and a senior home rehabilitation program on behalf of the regional Community Action Partnership Program operated from Kalispell.

According to the 2005 Housing Condition Study, 2.8% of the housing stock in Sanders County is rated as unsound or in very poor condition; and another 10.8% is rated in poor condition; with another 17.0 % rated only as fair. This is significantly higher than the statewide average showing that shows only 24.2 percent of housing units are in need of serious maintenance. And, 65.6% of the housing units in Sanders County were rated as having cheap, poor or low cost materials and quality – three times the state average of 21.8%. This high percentage of below average workmanship may be due to the lack of building code requirements in the unincorporated areas of the county and will likely result in higher overall maintenance costs.

At this time, we are not providing a list of priorities related to Housing. WRDC entities collaborate with local, regional and state-wide housing organizations as necessary.

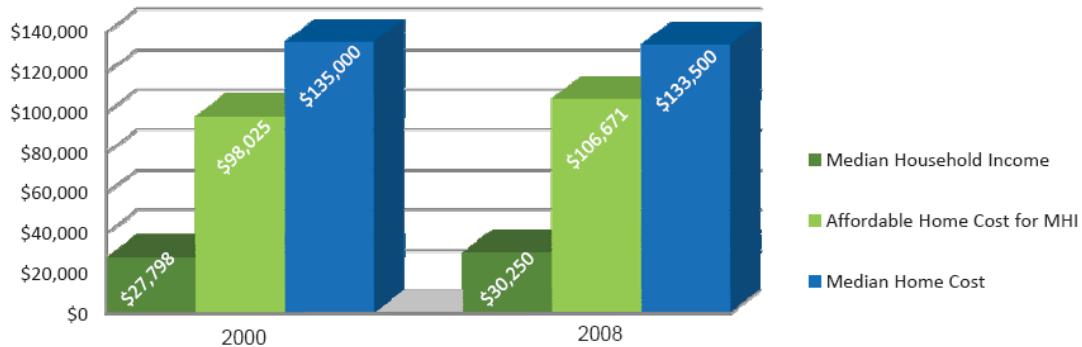
Housing Data and Statistics for Montana

Data was collected by the Housing Coordinating Team for this White Paper in an effort to document the housing affordability problems experienced by Montanans across the entire state. Our only goal is that this illumination of problems can help lead to solutions for the future.

County:
Sanders



Housing Affordability Gap



Select Occupations	2000				2008			
	Average Annual Pay	Median Home Cost	* Home Affordability Excess or Shortfall	% of income to rent 2-bedroom apartment	Average Annual Pay	Median Home Cost	* Home Affordability Excess or Shortfall	% of income to rent 2-bedroom apartment
All single-income Wage Earners	\$29,187	\$135,000	(\$32,077)	21.5%	\$32,550	\$133,500	(\$18,718)	25.6%
Licensed Practical Nurse	\$37,740	\$135,000	(\$1,917)	16.6%	\$53,920	\$133,500	\$56,639	15.4%
Police Officer	\$30,980	\$135,000	(\$25,755)	20.2%	\$38,750	\$133,500	\$3,145	21.5%
Elementary School Teacher	\$31,510	\$135,000	(\$23,886)	19.9%	\$37,100	\$133,500	(\$2,674)	22.4%
Retail Salesperson	\$17,980	\$135,000	(\$71,597)	34.8%	\$23,480	\$133,500	(\$50,702)	35.4%
Individual with Disability, sole income = SSD + SSI	\$12,934	\$135,000	(\$89,390)	48.4%	\$18,534	\$133,500	(\$68,145)	44.9%
Senior on fixed-income	\$10,979	\$135,000	(\$96,284)	57.1%	\$13,637	\$133,500	(\$85,412)	61.0%
Police Officer and Licensed Practical Nurse	\$68,720	\$135,000	\$107,329	9.1%	\$92,670	\$133,500	\$193,284	9.0%
Two incomes: Two Teachers	\$63,020	\$135,000	\$87,229	9.9%	\$74,200	\$133,500	\$128,153	11.2%

* (red) indicates homebuyer shortfall and/or rent which exceeds 30% of income

Housing Units and Structure-type data

Homeownership rate in 2000 = 76.5%

Households in 2000 = 4,273

Households in 2008 = 4,841

% change in population, 2008 to 2025 = 22.7%

% change in households, 2008 to 2025 = 33.1%

% of population aged 65+ in 2025 = 29.3%

Estimated Housing Units needed by 2025

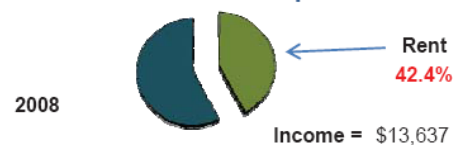
Housing Units	Units in Poor Condition Lost by 2025	Units in Good Condition Available in 2025	Total Housing Units Needed by 2025	New Housing Units that must be created by 2025
TOTAL	1,794	4,400	7,661	3,261
Single-family	734	3,817		?
Multi-family	168	158		?
Mobile Home	892	425		?

The data in the table gives a rough estimate of housing needs and some suggested options for the county in meeting those needs in the future. One option is to focus on rehabilitating the units in poor condition. This will reduce the number of new units needed. The type of new units will be determined entirely by whether they will be owned or rented. The higher the housing costs relative to incomes, the more expensive both rental and homeownership housing will be and the fewer new homeowners will be created between the years 2008 and 2025. What types of housing structures best fit the county's needs for homeowner and renter households in the future, given the costs of homeownership and rental units projected in charts above?

% of Median Renter Income to Rent a 2-bedroom apartment



% of Income of Senior on fixed-income to Rent a 1-bedroom apartment



The generally accepted standard definition of **Affordable Housing** is that housing costs do not exceed 30% of income.

SUB-CATEGORY: PUBLIC INFRASTRUCTURE

WESTERN RURAL DEVELOPMENT REGION

Public Facilities

The rapid and sustained growth of the region has put a serious strain on infrastructure, including transportation and public facilities, most notably as the growth relates to public safety. Upgrades will be necessary to transportation corridors that will accommodate an increased volume of traffic *and* make travel safe for pedestrians and non-motorized transport. In most cases, upgrades to water and wastewater systems are needed to ensure a safe and ample water supply. All three counties are in need of a Justice Center to alleviate current overcrowding and inefficient conditions.

Funding to pay for the necessary upgrades and new facilities is a constant struggle and there seems to be a strong interest in establishing impact or mitigation fees to provide sustainable funding for new facilities, services and equipment. It is felt growth must pay for growth, but these measures must be made palatable in order to not deter future development, especially commercial development.



Ronan, MT Well and Water Systems Improvement Project - 2011

Water / Wastewater

Many communities and most outlying areas rely on groundwater and wells for drinking. Although limited water quality data is available, there is an indication that some wells exhibit elevated nitrate levels. Rural residences in the district usually have individual wells, but some use surface water such as Flathead Lake or creeks as their water supply. Numerous small community water systems through the district are typically operated by private water user organizations with more than 20 managed by the Confederated Salish and Kootenai Tribes. These systems generally use wells as the water source and include fire hydrants. Most rural residences in the area use individual septic tanks and drain fields for sewage disposal. The incorporated towns all have sewer systems.

Water for Irrigation throughout the Flathead Reservation, including that portion of Lake County lying west of the Mission Mountains, and the eastern portion of Sanders County, was originally allocated under the *Flathead Indian Irrigation Project* authorized by Congress in 1908, which also directed transfer of its management and operation to the owners of the lands being irrigated (who were represented by an entity named the Flathead Joint Board of Control), when certain conditions and repayment of the debt of construction were met. The project irrigates approximately

127,000 acres on the Reservation and consists of 17 dams and storage reservoirs, approximately 1,300 miles of canals and laterals and more than 10,000 structures¹². In April 2010, an agreement was reached between the Tribes and the Joint Board of Control to create the Flathead Indian Irrigation Project Cooperative Management Entity, or CME, to manage the project with equal representation from both entities. The CME officially took over management from the Bureau of Indian Affairs, including collection and staffing; however, the rights-of-way and real property involved will remain attached to the federal project itself.

Solid Waste Disposal / Recycling and Hazardous Waste

Recycling efforts continue to increase throughout the region over the past 3 years. Recycling centers taking plastics, tin and aluminum, cardboard and paper are more common within many communities. Most areas host periodic “electronic” and hazardous waste recycling events. Target stores in Missoula and Kalispell accept glass for recycling, and large metal is most often taken to Pacific Recycling in Missoula. The biggest challenge has been the lack of volume, which translates into difficulty in making the efforts financially viable, and to date, there are no easy solutions.

There is a large used tire collection point in Lake County; and with over 100 million tires stockpiled and buried, there is currently significant interest by new owners of new technologies to build a plant to convert those tires to energy and fuel sources. If this occurs, the technology may also apply to plastics and other recyclables and provide additional options to dispose of a variety of waste currently ending up in landfills. This technology cannot be allowed, however, unless it complies with clean water standards and the Class I Airshed that has been established for the Flathead Reservation.

Public Safety

The public has repeatedly stated that public safety is one of the top priorities, but rapid population growth and associated development is increasingly taxing all emergency service providers with increased call volumes, which require additional levels and diversity of services. This is especially the case with volunteer-based ambulance and fire organizations that are often finding a reduction in the number of volunteers able to meet increased and complex workloads.

In addition, the crews have to travel greater distances to respond to residential calls due to new subdivisions being built in outlying areas. Not only are the departments not fully equipped to handle the rough terrain but the volunteers have to spend longer time frames on calls and the calls are more frequent. This is putting a strain on employers of those volunteers.

A regional concern for fire protection is the number of willing and able-bodied volunteers needed to continue to deliver services. Emergency services (ambulance and fire) are staffed almost completely by volunteers. These men and women are providing a tremendous service to their communities but it may be time for the municipalities and counties to pursue paid crews.

Power / Electricity

Within the areas of power, electricity, and heating, the region is keeping pace with current needs and planning for future needs without much difficulty. The utility providers are consistent in their efforts and strive to make their services affordable for business and residential users.

¹² For additional information on the Flathead Indian Irrigation Project visit their website at: <http://fiip-cme.org/>

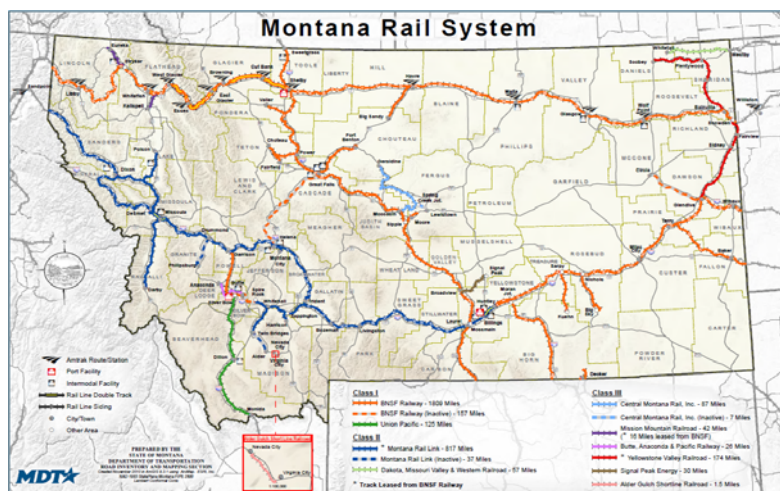
Telecommunications / Technology

Some areas within the region are in dire need of better access to telecommunications and technology, most notably southern Lincoln County and remote portions of the Flathead Indian Reservation. The rugged terrain is a definite obstacle in providing adequate wireless service. The lack of reliable, affordable service may be hindering commercial development.

Rail

Railroad lines are featured throughout Lake, Mineral, and Sanders Counties. Local farm, agriculture, and manufacturing distributors utilize the railroad to ship their products.

- Connecting rail line service throughout Montana



Source: www.mdt.mt.gov/travelinfo/docs/railmap.pdf

LAKE COUNTY AND THE FLATHEAD INDIAN RESERVATION

Public Infrastructure Overview

Fire Protection

Fifteen volunteer fire protection districts (VFD's), supported primarily through taxes, provide fire protection throughout the County. The Tribes' Division of Fire also provides protection in wild land areas. Most of the districts have 12 to 15 volunteers; although, the districts located in Polson and Ronan have closer to 30 to 40 volunteers. Additional support for volunteer fire organizations comes through grants administered by the State Forester, mill levies, loans administered by USDA Rural Development, and local fund raising efforts, including donations from the Confederated Salish and Kootenai Tribes. All of the fire districts and the wild land fire protection agencies belong to the Lake County Rural Fire Association which purchases joint insurance for the VFD's and reinvests the savings into the local departments. The County also has a Fire Action Plan that identifies fire-fighting resources and lists contacts in the case of fire. Most units are dispatched through the lake County 911 office, although Arlee does receive some calls dispatched through Missoula,

¹³ Source: <http://www.mdt.mt.gov/travinfo/docs/railmap.pdf>; accessed on July 17, 2012

and Hot Springs is dispatched through Lake and Sanders Counties. Ferndale is dispatched through both Flathead and Lake County.

Lake County, in coordination with the Confederated Salish and Kootenai Tribes, has been very proactive in assisting land owners in developing fire protection, such as a defensible space around homes, on vulnerable sites over the past several years.

Police Protection and Law Enforcement ¹⁴

The Lake County Sheriff's Department currently has 24 officers. The department includes three school resource officers. There is one domestic violence investigator. The department is funded through various sources including mill levies and grants. In addition, the Sheriff's office includes a boat patrol (funded through a mill levy), two volunteer search and rescue groups (one in Lake County and one in the Swan Valley) and a volunteer reserve group of approximately 25. The current ratio of paid officers to population is about 1:1200, which falls below the national average of 1:1000.

The County or State has jurisdiction in the unincorporated areas for felony crimes and non-Tribal misdemeanors. Patrol units are dispatched through the County 911 center. Law enforcement and detention-correction facilities are the most expensive budget items in the county. These are funded out of the County's general fund, plus mill levy funds that have increased the budget by 5%, and account for approximately 30% of that fund. The jail facilities were constructed in 1975 and were upgraded and enlarged in 2000 to hold up to 42 adult inmates and two juveniles. Juveniles can only stay up to 24 hours. There are currently 20 full-time officers. Calls for the cities of Polson, Ronan, and St. Ignatius are also dispatched through the Lake County 911 center. The cities contract with the county for jail space. The Polson Police Department has 13 full-time officers and 1 reserve, 1 animal control unit and 13 patrol units. Ronan has 3 full-time officers and 6 reserve officers with 4 patrol units. St. Ignatius has 2 full-time officers, 1 animal patrol officer and 3 patrol units.

The Tribal Police Department and jail are located in Pablo and maintains misdemeanor, juvenile, and some felony jurisdiction over Tribal members. The department has 3 investigators, which includes 1 criminal investigator, 1 narcotics investigator and 1 domestic violence investigator. There are 20 full-time officers and 20 patrol cars and maintain a dispatch center separate from the County. In addition, there are 3 Tribal juvenile probation officers and one adult probation officer. The Tribal jail has a capacity for 22 inmates, though in late 2012, capacity will increase to 49 inmates through grant funding. There are 7 detention officers. Juvenile offenders are housed at facilities in Kalispell or Missoula. The Tribal Fish and Game Conservation Program enforces fish, wildlife, and recreation regulations on the Reservation and employs 4 BIA trained, 1 Federal Service trained, and 4 State trained game wardens.

The Montana State Highway Patrol provides enforcement for state highways and maintains an office in Polson, staffed by 6 officers in Polson and a total of 24 in the district. Montana Fish, Wildlife and Parks and the U.S. Forest Service provide wardens and law enforcement officers who enforce regulations on non-Tribal/public lands.

Power and Electricity Infrastructure

Lake County electrical service is primarily provided by the Tribally operated Mission Valley Power utility, which is as a federally owned electric utility, operated as a non-profit organization, and maintained by the Confederated Salish and Kootenai Tribes pursuant to a contract under the auspices the Indian Education and Self-Determination Act, Public Law

¹⁴ Data collected during LCCDC staff phone calls to each agency in the second quarter of 2012.

93-638. In a 2011 article from the Char-Koosta News¹⁵, “Mission Valley Power purchases 78% of its electricity from Bonneville Power Administration; Kerr Dam provides 21% and two small hydroelectric producing dams on the Flathead Reservation and other small alternative energy producer’s account for the remaining one percent.” As of 2011, Mission Valley Power has begun several new energy conservation programs, which include¹⁶:

- **Refrigerator Retirement Program**

A program to encourage customers to remove old inefficient and high energy refrigerators, and replace with more efficient Energy Star appliances.

- **Ductless Heat Pump Program**

For existing residential electrical zonal heated homes only, this program encourages these residential homes to install Ductless Heat Pumps for heating and cooling in retrofit applications.

- **Compact Fluorescent Lighting Program**

This program is for both new and existing homes, wherein, consumers are encouraged to switch from incandescent and halogen lights to compact fluorescent and LED light bulbs and fixtures.

- **Home Electronics and Office Equipment Program**

A program that encourages homeowners to replace inefficient home electronics/office equipment and to purchase Energy Star rated or better energy efficient electronics and equipment.

MINERAL COUNTY

Public Infrastructure Overview

Public Facilities/Utilities

Public water systems providing for potable water and fire protection needs have been primarily developed from groundwater sources to serve residents in the Towns of Alberton and Superior. Non-community public water systems operating in Mineral County include West Mountain Estates, Trestle Creek, Old Mill Peninsula, and Deer Lick among others. Except for these small public systems, and those that have been constructed to serve commercial establishments, Campgrounds, and trailer courts; water supply in the rural areas of the county and in each of the small unincorporated communities is provided by individual groundwater wells.

The only public wastewater treatment systems are those used by the Towns of Alberton and Superior, and the community of St. Regis. Wastewater treatment in the rural area of the county is by individual septic tanks and drain fields.

Felstet Disposal provides garbage pickup and transfer to Allied Waste Disposal located in Missoula. Felstet Disposal provides class three waste disposal at the site of the transfer station. Solid waste disposal is an issue of growing concern to the citizens of Mineral County. Solid waste disposal through illegal means occurs throughout the rural area of Mineral County. Low income families may not use available waste disposal services due to cost. The transient nature of renters often creates circumstances that require landlords to dispose of waste material left by the occupants. Theft of services is an ongoing problem for those that do have contracted waste disposal services.

¹⁵ Char-Koosta News; “Mission Valley Power Annual Report Informs Public on FY 2010”; Retrieved on April 27, 2012 from http://www.charkoosta.com/2011/2011_02_10/MVP_Annual_report.html

¹⁶ Mission Valley Power Energy Conservation 2012; Retrieved on April 27, 2012 from <http://www.missionvalleypower.org/mission-valley-power-energy-conservation-2010-2/>

Mineral County has no current method of disposing of chemical wastes. Mineral County also has very limited recycling opportunities available. Recycling is not feasible due to the distance from a facility that will receive the recyclable materials.

Remote locations such as Upper Fish Creek area do not receive waste disposal services. Unattended public campgrounds do not have waste disposal because of abuse of services by those disposing of trash in containers but not camping in the campground.

NorthWestern Energy serves the central and western portions of Mineral County. NorthWestern Energy provides service to over 2,100 service connections in the DeBorgia, Haugan, St. Regis, Saltese, Superior and Taft areas. There is a 9 percent increase in service connections from 2004 to 2007. Missoula Electric Cooperative serves the eastern one-third of the County.

Mineral County law enforcement is provided by the Sheriff's Department to cover the entire county jurisdiction. Besides the sheriff, the Sheriff's Department has one undersheriff, eight deputies, five jailers, and six 911 dispatchers. The Sheriff's Department services area also afforded to the Towns of Alberton and Superior. The Montana Highway Patrol provides traffic enforcement and accident investigation on State highways.

The sheriff serves as coroner, facilitates the registry of sex offenders, and administers the county jail, Search and Rescue and operation of the 911 emergency service center. The county detention facility has an inmate capacity of 27 individuals. Mineral County does not have juvenile detention and transports those individuals to other facilities.

The Justice of the Peace department has a full time judge and 2.5 full time equivalent clerks to process citations for infractions of law. The caseload created one of the busiest justice courts in western Montana.

Search and Rescue is a function of the Sheriff's Department and has 25 voluntary members to conduct river rescues, locate missing persons, and assist law enforcement in evacuations.

Ambulance service for Mineral County is from the Town of Superior using two units and a volunteer staff of 10. The exception is the eastern portion of the county which is served by the Frenchtown Rural Fire District for ambulance service. Quick Response Units can augment the number of responders for ambulance calls.

Mineral County's fire protection units are centered in four districts. They include the Superior Fire Department, which also provides fire protection for a rural fire district area, Frenchtown, St. Regis, and the West End rural fire department. The Lolo National Forest Service is responsible for fire protection for national forest lands which encompass most of the rural area in the county. Mutual aid agreements between the U.S. Forest Service, State agencies and Mineral County fire districts exist to provide for coordinated fire suppression responses in the urban interface areas. Mineral County recently developed its own Community Wildfire Protection Plan (CWPP). For planning purposes, the county was split into nine districts from Saltese to Alberton. The Frenchtown Rural Fire District covers approximately 12 miles into the eastern portion of Mineral County. The coverage area includes the Fish Creek Exit and those areas immediately to the west and south to I-90 mile marker 66 and encompasses approximately 25 square miles. The land owned by the State of Montana in the area of the Alberton Gorge does not have fire protection coverage from local agencies since it is not officially included as a part of the Frenchtown Fire District.

The Superior Fire Department provides coverage for the Town of Superior and the rural area of approximately 62 square miles of which 35 square miles is National Forest Service and is excluded from coverage. The county commissioners have been requested to expand the Superior Rural Fire District to the east to include properties in the Nemote, Tarkio and Quartz areas. The proposed area to be annexed would encompass approximately 33 square miles. The St. Regis Rural Fire District provides coverage for the community of St. Regis with coverage to the east to the Sloway area, then on the south side of the Clark Fork River, then west to the divide on Mullan Gulch Road, then northeast to the Mineral/Sanders county line. The West End Rural Fire District provides coverage west of the Mullan Gulch Road divide for the communities of DeBorgia, Haugan and Saltese.

The County Highway Maintenance garage is located in Superior and is responsible for County roads. The State Highway district garages are located in Alberton, Superior, and Saltese and are responsible for State and Federal highways

SANDERS COUNTY

Public Infrastructure Overview

Public Facilities/Utilities

A Sanders County Survey conducted in late 2011 indicated that most respondents are satisfied with their water and sewer systems. Seventy five percent (75%) of residents responding indicated that they had experienced no problems with their drinking water. Twenty five percent (25%) indicated that they had experienced a problem with pressure, taste or clarity. These concerns should be addressed. Relatively few residents expressed a problem with their sewer system service. Although feedback from the survey was largely positive, it also reflected a collective resistance to raising any fees to fund improvements to these systems. Ultimately, improvements will be required and resistance to funding these changes will present a challenge. It is important to note also that the number of respondents to this survey was relatively small in comparison to the total county population, therefore future plans and decisions cannot be based solely on the results of this survey.

Sanders County acts largely in an advisory or support role to the various communities within the county regarding public facilities. Much of the actual planning and implementation is accomplished by local districts and boards. The county will continue to assist in the formation of local organizations to address public facilities issues and will participate in supporting funding initiatives such as the submission of grant applications. Every effort will be made to assist both incorporated cities and unincorporated areas in planning, developing, funding and building adequate public infrastructure.

Public facilities development, expansion or improvements are being considered in communities throughout the county on an ongoing basis. A sewer district has been formed in Paradise and efforts continue to plan and fund this effort. The Town of Hot Springs is considering a new wastewater treatment method. Local water systems in Thompson Falls and Heron require improvement. The Confederated Salish and Kootenai Tribes manage systems in the townsite of Dixon, as well as at the Dixon Old Agency.

Progress has been made in the area of solid waste disposal. An aggressive recycling effort has been implemented that has resulted in improved income to the county. Although demand exists for cardboard, plastics and various metals, the recycling of glass is not economically feasible at this time. Future focus will be on improving the efficiency of the recycling operation by implementing improvements in areas such as collection and routing.

Sanders County road maintenance equipment is aging and in need of replacement. The recent county survey indicated that road maintenance is important to county residents and some support exists for a Special Improvement District for road maintenance. Funding for replacement of equipment will continue to be a priority in the future.

Fire and ambulance services are provided by volunteer departments around the county. Responses to the recent county survey indicate that residents are largely satisfied with those services. Residents are mostly satisfied with law

enforcement coverage although covering such a large county will continue to be a challenge with limited resources. The county will continue to provide support for these services in any way possible.

With regards to continuous development of a high-capacity technology infrastructure within Sanders County to benefit residents and businesses, the county and its associated economic development partners will continue to place a priority on supporting such efforts. Providing support for a technology initiative within the county is an example of such support.

SUB-CATEGORY: TRANSPORTATION

WESTERN RURAL DEVELOPMENT REGION

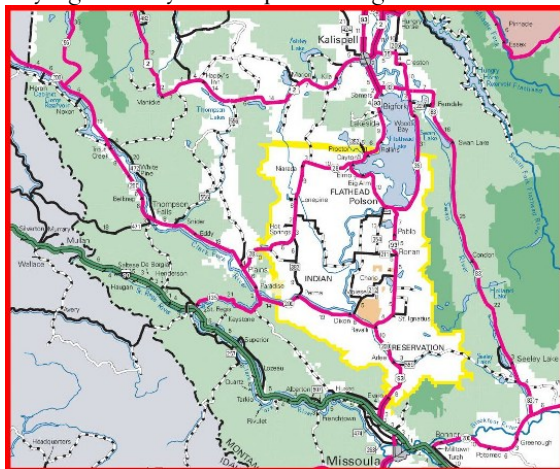
WESTERN RURAL DEVELOPMENT REGION

Transportation Overview¹⁷

Throughout the region, transportation corridors are feeling the stress of rapid growth and lack of planning to address the needs of that growth. It is not only the physical routes in need of upgrades, but the equipment to properly maintain the routes as well. County airports are at or nearing capacity and some are lacking the appropriate technology to make them functional in today's market.

There is an increasing need for public transportation, especially among the underserved and special needs populations, but the rural nature of the region makes this extremely difficult. All three counties, as well as the Tribes, reported an increased need for bicycle and/or pedestrian pathways to further enhance recreational and general transportation opportunities.

It is essential to the current business base and future commercial development to be able to provide affordable transportation and delivery options. This is applicable to both incoming raw materials and outgoing finished product. Oftentimes, local businesses are not able to be financially competitive due to the additional expense of freight, unless they significantly reduce profit margins.



The region is bound together by rail, highways and its river corridors, primarily the Clark-Fork and Flathead Rivers as they carry their voluminous waters westward to join the Columbia River system.

Interstate 90 enters Mineral County at Montana's far western border with Idaho, at Lookout Pass, and transits the entire county. The narrow river corridor and steep mountain topography of Mineral County does not allow for an expanded system of roads within the county; its communities are primarily tied together across the span of the Interstate system. The highway carries commerce, tourists and residents to and through the County, from the eastern US to western shores. State

Primary Road 135 provides a connection between Interstate 90 (at St. Regis) and Sanders and Lake Counties at Highway

¹⁷ For a current listing of State of Montana Department of Transportation Construction Phase Highway Projects in the Missoula District please visit: http://www.mdt.mt.gov/publications/docs/stip/2012stip_final.pdf. For traveler information related to restrictions and current alerts, please visit: <http://www.mdt.mt.gov/travinfo/>

200 near Paradise (Sanders County). Highway 93 intersects I-90 further east of Mineral County, serving as another major connector between the three counties.

US Highway 93, which stretches from Canada to southern Arizona, is the principal north/south highway in Western Montana. It is also the major transportation corridor within Lake County and the Flathead Reservation and the primary link with the cities of Kalispell and Missoula. The highway enters the north end of Lake County south of Lakeside. From there, it skirts the west lakeshore until it reaches the town of Polson, and then continues south to Pablo, Ronan, St. Ignatius, Ravalli, Arlee and Evaro. From Evaro, at the south end of the Reservation, it intersects Interstate 90, then heads east into Missoula before continuing its route south, exiting Montana at the Idaho border. Portions of this route have existed since the establishment of the Flathead Reservation in 1855. Highway 93 is part of the National Highway System. As such it is eligible for the highest level of highway funding, and it may be designated an international commerce route. It is undergoing a major upgrade that includes multiple safety improvements, increased capacity, and provisions for wildlife passage under and over the highway. At one point it was merely a horse and wagon trail that passed through Dixon, in Sanders County, before heading north. Polson was the “end of the road.”

Although Tribal transportation trails were established many thousands of years ago, it was not until the late 1800s that non-Indian settlers and developers established wagon and stage coach routes, initiated steamboat traffic on Flathead Lake and built a railroad across the southwest corner of the Reservation. They started construction on the first highways about 1915, a few years after Congress opened the Reservation to settlement. The state did not complete the west and east shore highways, Highways 93 and 35, until the early 1930s. Today, US Highway 93 is a major trucking route supplying the Reservation with many of its goods and services. The highway also brings thousands of travelers to Western Montana. To accommodate the projected increase in traffic, approximately 70% of the highway has been rebuilt within the last 10 years (between Evaro on the south end of the Reservation, and Polson to the north), with the remaining portion (Ronan to Dublin Gulch Road) projected for completion within the next ten years or so.

State Primary 35 is a two-lane highway that provides an eastern route around Flathead Lake, between Polson and Kalispell, with a large amount of summer recreational traffic. It is twenty-four to twenty-six feet wide. Several groups have tried to have this route designated as a National Scenic Highway, but have not succeeded to date. The road is flatter in grade than Hwy 93 on the west side and therefore often preferred by truck traffic, despite its narrow width. It averages over 45 accidents per year, and within the past 3 years, has been the site of several truck accidents causing pollutants to migrate into wells and streams bordering the Lake.

Lake County geographically sits primarily between the Mission Mountain Range on its eastern border, and the Flathead River on its western Border. There is a narrow section of the County that sits east of the Mission Mountain Range, between the unincorporated town of Ferndale on the north and Condon on the south, known as the Swan Valley. Access to the Swan Valley is via State Primary 83, a two lane highway that traverses the Valley between the north end of Flathead Lake, where it intersects with Highway 35, and, ultimately, to I-90 east of Missoula.

State Primary 200 is a two-lane road that enters Sanders County at the Idaho Border between Sandpoint, ID and Noxon, MT. It follows an east-west route, enters the Flathead Reservation at Paradise, and merges with Highway 93 at Ravalli, in Lake County. Flathead Reservation and Lake and Sanders County residents and commerce frequently access Mineral County and I-90 utilizing Highway 200. Highway 200 is the only major road traversing Sanders County, carrying heaving commercial, residential and tourism traffic. It substantially follows the course of the Flathead River and the railroad throughout its distance.

State Primary 28 ~~crosses~~ the northwest side of the Reservation and Lake and Sanders Counties, connecting Highway 93 (at Elmo) and the towns of Hot Springs and Plains. At Hot Springs, it intersects with State Highway 382 which travels south through what is known as Camas Prairie. Much of Highway 28 has been recently widened to twenty-eight feet.

State Secondary 382 connects Highways 200 and 28 through the Camas Prairie area. Except for four miles in the Perma Canyon that the state has widened to 28 feet, the road averages twenty feet wide and has sharp ditches and poor surfacing.

State Secondary 212 connects Highways 200 and 93 through the communities of the Old Dixon Agency (in a portion of Sanders County within the Reservation), and Moiese and Charlo in a portion of Lake County within the Reservation.

Throughout the region, transportation corridors are feeling the stress of rapid growth and lack of funding to address the needs of that growth. It is not only the physical routes in need of upgrades, but the equipment to properly maintain the routes as well. County airports are at or nearing capacity and some are lacking the appropriate technology to make them functional in today's market. Commercial rail service is available through Mineral and Sanders Counties via Montana Rail Link lines (previously owned by Burlington Northern, and Northern Pacific prior to that). The services provided follow the routes of I-90 from Missoula through the Reservation to St. Regis, then north along SR135; or from Missoula through the Reservation to Ravalli (Lake County), and along the Flathead River and through Sanders County. Passenger service is not available, despite the availability of rail lines that could be used for this service. The "old" Milwaukee Road through Mineral County into Idaho at Lookout Pass was abandoned long ago and much of it on the Idaho side and into the western edge of Mineral County has been turned into a well-used bike path.

There is an increasing need for public transportation, especially among the underserved and special needs populations, but the rural nature of the region makes this extremely difficult. The Confederated Salish and Kootenai Tribes have set up a Transit Program on the Reservation, but additional funding is needed to be able to serve all Reservation residents. It is essential to the current business base and future commercial development to be able to provide affordable transportation and delivery options. This is applicable to both incoming raw materials and outgoing finished products. Oftentimes, local businesses are not able to be financially competitive due to the additional expense of freight, unless they significantly reduce profit margins. It is also critical to assure that the elderly and non-driving populations have access to medical care, food, education, shopping and other essential services.

Rail and Air Services and Bus Transportation In 1883 the Northern Pacific Company built a railroad across the south end of the Reservation. They completed a spur line from Dixon to Polson in the early 1900s. The lines within the region are currently owned and operated by Montana Rail Link. Montana Rail Link's main line provides east-west railroad freight service through the southern end of Lake County, and through Mineral and Sanders Counties to and through the Missoula rail hub. An additional branch line runs from Missoula to Darby in southern Ravalli County. They use the main line seven days a week for hauling inter- and intrastate freight. Passenger rail service ended in 1979 with the elimination of Amtrak's North Coast Hiawatha service. There is interest in restoring this route across southern Montana. Amtrak's Empire Builder route provides passenger service across northern Montana. Greyhound provides bus service along Interstate 90 while Rimrock Trailways provides service from Missoula to Kalispell as well as to Billings, Helena, and Great Falls.

The region has non-commercial airports located in Ronan, Polson and St. Ignatius (Lake County); Superior (Mineral County); and Hot Springs, Plains and Thompson Falls (Sanders County), as well as a smattering of private and/or Forest Service landing strips. Commercial air service through major carriers is available at both Glacier International Airport in

Kalispell and Missoula International Airport in Missoula. Six commercial air carriers connect Missoula International Airport with ten direct destinations. Corporate and general aviation traffic may also use Missoula International. Several of the airports are capable of 24 hour all weather service, and as commerce and tourism grows, these airports have seen an increased usage by large privately owned aircraft, including large jets. The capacities of these airports are further described within the sections listed below.

LAKE COUNTY AND THE FLATHEAD INDIAN RESERVATION

Public Transportation Overview

Highways and Roads

Lake County is responsible for approximately 1,150 miles of rural roads, 80 percent of which are gravel surfaced. These roads have maintenance costs that are much higher than usual. The costs are the result of several issues. Most of the roads were built on soil made up of soft glacial soil that breaks up easily, with no drainage ditches, very little or no base materials and severe weather conditions consisting of freeze/ thaw cycles that destroy roads. To correctly repair these roads, the roads need to be completely reconstructed. Tourism is a two-edged sword--great for local businesses, but it can have a negative impact on our local roads with limited revenue for road maintenance.

Being a rural county, there are too many miles of roads to maintain, and stretching the available revenues to maintain good roads is difficult if not impossible. Lake County currently receives a total of \$1.8 million in tax revenue to provide for all direct and indirect costs for the Road department. That equates to approximately \$100 per mile of road. Ideally, this budget would include road equipment replacement but sadly is an inadequate amount to do so. In addition \$293,000 is collected for the purpose of maintaining the 92 bridges Lake County is responsible for maintaining, most of which are listed as in need of major repair or replacement.

The counties around Lake County have vast acres of timber land for which they receive federal payments in the form of “payment in lieu of taxes” or under the “secure rural schools” funding. The timber land in Lake County is mostly Tribally or privately owned with a very small amount qualifying for federal PILT payments. Unlike the school districts, the County government receives no funds such as Impact Aid for trust lands. The Tribe does, however, work cooperatively with Lake County to help offset shortfalls in the County budget in lieu of taxes; and uses much of their road construction funding to assist the County.

The Confederated Salish and Kootenai Tribes passed their first Flathead Reservation Transportation Plan in 1996. This plan has since been updated, and includes information about the entire Reservation road and transportation system. CSKT works diligently with Lake County, MDT and the Federal Highway Administration to improve multiple transportation projects on the Reservation. CSKT also has a five-year Transportation Improvement Program (a list of construction and maintenance projects) that is updated annually.

The county has developed a road plan that maintains an inventory of roads with respect to their use, condition, and needed improvements. From this the county annually prepares a priority list. Equipment needs are in excess of the current budget due to maintenance costs. Lake County will soon be in the position of having to purchase newer equipment in order to provide the ability to maintain the roads. The County Road Department and Tribal Roads Program work closely to make the most efficient use of the limited funds available to both governments for road work and improvements. An example of this can be found in the South Valley Creek Bridge. Government representatives from the Confederated Salish and Kootenai Tribes and Lake County, joined forces to finalize the six-month project. The new two-lane bridge replaced a dangerously deteriorating metal truss wooden deck

bridge built in 1910 by the Bureau of Indian Affairs (BIA). With an 8-ton weight limit, the previous bridge restricted residents' safe access to services provided by large vehicles such as fire engines, ambulances, and school buses.

Funding for the project was an issue, as construction costs exceeded Lake County's budget of \$223,000 in stimulus funds. In an effort to aid the project, the Tribes applied for a grant with the Indian Reservation Road's High Priority Project Program. The grant was issued through the BIA and the Federal Highway Administration to assist tribes in completing underfunded high priority projects. It is also available for tribes who've had an emergency or disaster occur on a tribal transportation facility. The CST were granted \$1 million to reconstruct the bridge, which is the maximum awarded by the program.

State roads through Lake County are either maintained by the state or through contractual maintenance agreements with the County. Lake County is currently investigating the assessment of a 2 cent per gallon gas tax with revenue being divided by cities and county. Unincorporated towns rely on the County for assistance with their interior streets and roads.

Air Service

Lake County has non-commercial airports located in Ronan, Polson and St. Ignatius. Polson and Ronan are both capable of 24 hour all weather service. Each has a beacon and a windsock. These airports have seen increased usage by large privately owned aircraft, including large jets. Some of this can be attributed to land ownership by individuals living out of the area. Usage is expected to increase at Polson and Ronan with St. Ignatius remaining consistent. There are private airfields in the Jocko, Mission and Little Bitterroot Valleys. There are no major commercial airline or freight services on the Reservation.

Polson

This city-county airport which partially lies on Tribally-owned property, encompasses ninety-seven acres at an elevation of 2,938 feet. Its runway is forty-two hundred feet by sixty feet, asphalted and in good condition. It has a pilot activated, medium-intensity light system. There are sixty-eight hundred landings or takeoffs per year. Twenty-seven single-engine aircraft are based on site. One Hundred Octane and Jet A fuels are available, as are major airframe and power plant repair services. Unicom two-way radio communication serves the facility. Charter services are available.

Ronan

This city-county airport encompasses fifty-six acres at an elevation of 3,089 feet. Its runway is thirty-six hundred feet by seventy-five feet, asphalted and in good condition. It has a medium-intensity light system that operates until 9:00 p.m. (pilot- activated after 9). The airport receives 2,250 landings or takeoffs per year. There are seven single-engine aircraft based on site and no fuel or repair services. Agricultural spraying services are nearby.

St. Ignatius

This city-county airport includes eighty acres at an elevation of 3,089 feet. Its runway is 2,610 feet by sixty feet, asphalted and in good condition. Runway lights are pilot-activated. The airport receives twenty-two hundred landings or takeoffs per year. Six single-engine aircraft are based on site. No fuel or repair services are available.

Air ambulance helicopters provide life-flight services from and to Missoula (in most cases) and Kalispell. They serve hospitals in Polson and Ronan in Lake County, Plains in Sanders County and Superior in Mineral County, and make emergency

landings nearly everywhere. The Tribes and the BIA also use helicopters to monitor natural resources and to conduct fire reconnaissance and suppression. The BIA maintains heliports at Ronan and Hot Springs for these purposes.

Public Transit/Bus Service

There is limited availability of public transit. Some services are provided by the Tribes and social service organizations, such as the Lake County Council on Aging. North and south bus service is provided by Rimrock Trailways with connecting service in Missoula and Kalispell. This bus service is largely underutilized by the residents of Lake County.

After five years of development and direct service, the Flathead Tribal Transit system on the Flathead Reservation continues to expand, developing options and meet ever-changing needs. Through diverse partnerships, the program has managed to grow into a successful operation with a fleet of busses that annually provides more than 30,000 rides. Operated by the Confederated Salish and Kootenai Tribes, Flathead Transit has been aggressive in seeking funding and resources.

Since its inception, the system has received support from the federal Tribal Transit Program, a Congressional earmark, the State of Montana, the Indian Reservation Roads Program, the Community Transportation Association of America Vocational Rehabilitation, TANF, the Older Americans Act, the Job Access and Reverse Commute Program, the American Reinvestment and Recovery Act and local partners. Flathead Transit was selected as the Transportation System of the Year by the Montana Transit Association. Additionally, a cadre of other special interest agencies fills in other demographic niches dealing with highly targeted populations. Those other transit service providers include: Mission Mountain Enterprises, a nonprofit corporation that serves the elderly and disabled; Lake County Council on Aging; Salish Kootenai College, for students and employees; and Tribal Health, which funds limited service to Tribal members for medical appointments. Some communities tend to have better or more transit options. Elders in certain communities, such as Ronan, have a fairly strong program. Outlying communities have few services. The program now has bus shelters in all communities and will be expanding routes in the coming year.

Missoula Ravalli Transportation Management Association (MR TMA) helps Western Montana residents make better transportation choices today and in the future by developing comprehensive transportation alternatives designed to:

- *minimize traffic*
- *reduce parking congestion*
- *protect our environment*
- *improve our quality of life*

Working with the Montana Department of Transportation, MR TMA provides transportation choices for citizens of Missoula, Ravalli and Lake Counties. MR TMA staff brings a diverse range of experience in transportation coordination, community project development, as well as public and human relations. MR TMA is funded through a grant from the Montana Department of Transportation with matching funds from a consortium of Ravalli, Missoula and Lake County organizations.

Rail Service

As mentioned earlier, in 1883, the Northern Pacific Company built a railroad across the south end of what is now Lake County and the Flathead Indian Reservation. They completed a line from the west Coast, through Missoula, and across Montana to Chicago. They completed a spur line from Dixon to Polson in the early 1900's. That line is currently owned and operated by Montana Rail Link (MRL). MRL uses the main line (through Sanders County and the Reservation and

south to Missoula) seven days a week for hauling interstate and intrastate freight. Montana Rail Link service for both the Polson and Ravalli Spurs has been suspended due to profitability and maintenance issues. Lake County clients have replaced the rail services with commercial and long-haul truck, but that is a “stop-gap” measure, where costs will rapidly escalate with the cost of gas and fuel. There are questions as to what can or will be done to reopen the line to adequately service agricultural producers and growing commercial businesses that will require rail service in the future. The County and users are protesting the shut-down as filed with the Federal Rail Transportation Agency.

Bike and Pedestrian Pathways

A number of trails exist in Lake County and others are in various stages of planning. A bicycle/pedestrian pathway was included in the more recent reconstruction of Highway 93 between Ronan and Polson, and north and south of Arlee, and future highway design through the county is expected to continue this trend. Unfortunately, much of the design between Evaro north to St. Ignatius, the longest stretch of reconstruction, did not include pathways. The community of Arlee, working with Lake County CTEP funds, CSKT and donations, is trying to remedy some of that with a larger trail system in the Jocko Valley portion of the route. A current reconstruction project on 2.3 miles of the Skyline Drive on the north edge of Polson, funded by a TIGER grant from the Federal Highway Administration, includes a separated trail/bike path that connects back to that constructed on Highway 93. Aside from sidewalks which have been constructed in multiple locations across the Reservation by the Tribes, paths also exist north of Big Arm, west of Ronan, in Pablo and in St. Ignatius. Most of the recently completed pathways are separated from road surfaces and typically have higher use rates because of perceived safety benefits, although they are more difficult to maintain. The Tribes and the Lake County Commissioners are committed to expanding these trails as much as possible. CSKT plans to construct a new path on Timberlane Road from Highway 93 to the Clarice Paul Homesites in 2013. There has been a large increase in pathway use and demand due to our economy and awareness of health benefits.

Additional Flathead Reservation Transportation Infrastructure

About forty-two hundred miles of Tribal, federal, state, county and private roads serve the Reservation. The Tribal road system covers over 2,600 miles. It includes about 100 miles that overlap with the county road system and 376 miles of BIA system roads. Federal and state highways, described previously, total 222 miles, and county roads extend over 1,400 miles.

Collector roads connect residential streets to highways. On the Reservation, counties hold the rights-of-way for the majority of these. Lake County has the most extensive county road system on the Reservation. Most of it is in the Mission Valley and follows a grid of section lines. The BIA and state have rebuilt and widened some paved roads to twenty-eight feet. Sanders County’s road network serves the western and southern portions of the Reservation from Dixon to the Camas and Hot Springs Valleys. It follows section lines in only a few areas. The system includes about hundred and eight miles of sixteen to twenty-four foot gravel roads in fair condition and about twenty miles of twenty to twenty-two foot paved roads in fair to good condition. There are approximately ten miles of county roads within the few square miles of Flathead County that intersect the Reservation’s northwest corner. They are gravel, sixteen to twenty-four feet wide and in fair condition. Missoula County roads include one-half mile of paved road in poor condition, and about nine miles of good gravel roads twenty to twenty-four feet wide. All are in the southeastern corner of the Reservation. The counties build and maintain most of the collector roads on the Reservation according to their priorities and available funding. The Tribes have rebuilt multiple portions of Lake County roads and bridges that serve Native Americans.

Tribal and BIA System Roads

The Tribal road system is the largest on the Reservation. Inventoried roads cover about twenty-six hundred miles, one hundred miles of which overlap with the county road system. Approximately 373 miles are on the BIA road system. Tribal and BIA roads that have been built for timber sale purposes are generally low standard roads, but they also include some high standard residential streets. In addition to these roads, there are many miles of jeep trails and other impromptu use roads not inventoried.

Residential Streets

The Tribes, utilizing maintenance funds from the BIA, maintain about 30 miles of home site roads in fifteen locations. The BIA has rebuilt many home site roads within the last 20 or years, and they are in excellent condition. They vary from twenty-eight to forty-four feet wide. Most have hot mix pavement and curbs and gutters in cluster home sites. The agency has built sidewalks where needed. The remainder of the residential roads are planned for reconstruction over the next five years.

Mountain Access Roads

In 1993, the Tribes compacted maintenance of BIA roads including the aforementioned residential streets as well as 345 miles of roads for recreation, timber harvest and other resource uses. Some of these in the Jocko Valley, Ch-paa-qn Peak and Hog Heaven areas lead off the Reservation. Most have generally poor surface conditions and alignment. Bridges are constructed of native timber, and many are in poor to fair condition. Maintenance funding is inadequate.

Forest Lateral Roads

The remaining roads on the Reservation include 2,580 miles of Tribal roads used for timber harvest and hunting. The Tribal and BIA forestry programs maintain these on an as-needed basis. The Tribal Wildland Recreation Program also performs some bridge maintenance. The BIA has estimated that about one-third of the system is usable; however, most of these roads are not designed for multiple or extended use, and can cause extensive damage to some vehicles. The remaining two-thirds of the system are overgrown and generally unusable. The roads remain available, however, for resource activities such as fire suppression.

Trails

The Tribes, the CCC and others have built trails in the Mission Mountains Tribal Wilderness, the South Fork Primitive Area and the Reservation Divide area. Tribal members use them for subsistence hunting, fishing, and plant harvesting and other cultural purposes and recreation. The Tribes have also designated a snowmobile trail in the Boulder Road area. Communities have also developed trails or pathways. The BIA built asphalt bicycle and pedestrian paths that connects the Arlee Tribal home sites with the commercial district and the Arlee schools. Polson has a bicycle/pedestrian path along portions of Highway 35 and Highway 93. CSKT built a sidewalk to connect this path to the Turtle Lake Homesites east of Polson. Additional walkways are also being proposed for St. Ignatius, Ronan, and Hot Springs.

MINERAL COUNTY

Public Transportation Overview

Road System

Mineral County's transportation system includes Interstate 90 as the main four lane route that bisects the county from the southeast to the northwest. Highway 135 North originates at St. Regis and continues for seven and three-quarters miles to the Sanders County line. The construction of Interstate 90 followed the route of Highway 10 and construction orphaned sections of what now is referred to as Old Highway 10.

The Mineral County road system includes Interstate 90 which provides a convenient direct connection from the Mineral County area to Idaho toward the west and to Missoula and other primary highway routes to the east. The Montana Department of Transportation maintains part of the Old Highway 10 road sections and Mineral County provides limited maintenance for the remaining sections.

Mineral County – Highways

Roads in Mineral County are maintained by the County, Towns of Alberton and Superior, Montana Department of Transportation, and the U.S. Forest Service. Mineral County and the Lolo and Ninemile Districts have a cooperative Schedule A maintenance agreement for interspersed road segments that results in road maintenance exchange. The county has a network of local roads that are under the jurisdiction of the Mineral County Road Department. Maintaining the roads is a formidable undertaking, and one that is of primary importance in the minds of local residents who are isolated from essential public services. Maintenance is also provided by the county for roads within the unincorporated communities.

The total mileage of county roads creates the very difficult task of maintaining or improving the roads to desirable road standards given the budget constraints of a population of less than 4,000 people. Routine maintenance of county roads is assigned to three county shops. Some important information on the roads and streets in Mineral County was obtained when a road addressing system was recently developed. The county contracted with a private firm to inventory the roads and structure locations throughout the county. Road names were listed for each segment recorded during the GIS inventory process along with the corresponding length for all roads and highways in the county. Addresses were then assigned according to a standard numbering system. The addressing maps are the key to the local 911 emergency response system. The data base and GIS mapping system was used as a base to help produce the county road map for this report.

Bridges

Bridges are also a very important part of the road system and maintenance program. Bridges in Mineral County known as major structures (single clear spans greater than 20 feet in length) are inspected biennially by the Montana Department of Transportation. However, detailed inspections of minor structures (single clear spans less than 20 feet) traditionally are not conducted on a regular basis by MDT or County crews. Existing bridge locations could be recorded during a county road inventory as part of the GIS data base for the addressing system, followed by preparation of a bridge study to identify critical problem areas in the county as well as priorities and funding sources for improvements.

Alberton, Superior, and St. Regis Streets

The Town of Alberton and Superior street systems are the result of original platting of the land laid out between the Clark Fork River and the rugged landforms of the adjacent mountainous areas. Interstate 90 and Montana Rail Link Railroad also have a controlling influence on the street patterns and traffic circulation of the towns. The unincorporated area comprising St. Regis also has an existing street system limited primarily by the topography.

Rail Service

The Montana Rail Link railroad enters at Alberton and travels along the Clark Fork River to the Sanders County line. The route length is approximately 60 miles. The number of trains per day range from 20 to 25. Montana Rail Link provides service to the former Diamond Match Mill site and the Tricon Timber Mill. The Diamond Match Mill site is the location of three enterprises, those being Eureka Pellet Mills, Tricon Timber Post and Pole, and Mountain West Products, a bark plant.

Airports

Mineral County has one airport located approximately two miles east of Superior which parallels Interstate 90 and has a runway length of 3,700 feet. The airport has six hangars that are leased to the public. The airport had a major upgrade in 2005 that consisted of reconstructing and surfacing runways, tree removal for improved sight distance, and fencing to prevent animal encroachment. The airport does not have nighttime lighting. Mineral County installed an avgas fuel system that includes a 12,000 gallon, above ground, UL2085 storage tank, fuel dispenser, fuel management system, offload pump, site work, electrical/telephone services, and all appurtenant piping, electrical installation, and setup for complete self service fueling facility. Air ambulance services are available from Missoula on an on call emergency basis with response estimated to be 15- 30 minutes from the request time. The Lolo National Forest operates a Heliport at the St. Regis Work Center during the active fire seasons when firefighting is ongoing.

SANDERS COUNTY

Public Transportation Overview

Planning for transportation is critical to fostering healthy, safe, attractive and economically viable communities and for providing access to those communities from other areas. Transportation routes that facilitate ready access to emergency and non-emergency medical care, grocery shopping and other important services are especially important to rural areas where a doctor's visit might entail a drive of well over 100 miles. Transportation routes and infrastructure will also have a significant effect on land development and land use patterns, with heavily traffic corridors being the most attractive for business development.

Highway 200 runs east and west, bisecting Sanders County between Dixon, past Noxon and Heron to the Idaho border. It passes through most of the major communities in Sanders County and it carries a mix of traffic from normal passenger traffic to heavy commercial traffic. Both tribal and non-tribal interests control the land along the highway. How this corridor is maintained and developed in the coming years is of major importance to Sanders County and will be a strategic priority in the coming years.

Highway 28 runs north from Plains past Hot Springs into the Flathead Valley area. This is also an important transportation corridor for Sanders County, providing access to services and recreational opportunities for county residents, both within Sanders County and beyond. Recent repaving has improved this route.

Because of increased traffic and the age of many of the bridges within the county, some require extensive repair or rebuilding. In particular, the Heron Bridge, providing the town of Heron, MT access to Highway 200, is in a significant state of disrepair and need to be rebuilt. Previous attempts to fund a new bridge have been unsuccessful. A strategic priority for Sanders County will be to identify and pursue sources of funding for the replacement of the Heron Bridge.

Weather, traffic and development have had an impact on roads in Sanders County. In recent years, areas previously undeveloped or lightly developed have grown, necessitating a review of the suitability of the roads serving these areas. A recent county survey indicated that 52% of respondents felt that streets and roads within the county were not adequately maintained. The need for road patching surfaced as a significant issue. Other concerns included dust abatement, grading and snow removal. Some progress has been made. As an example, miles of the Blueslide Road have been repaved, but more than 14 miles of the western portion are still in desperate need of repair. Attempts to justify grant funding have been unsuccessful to-date. In the coming strategic period, efforts will continue to identify roads in need of repair and plans will be made to identify available funding and to repair those roads most in need of repair, over time.

The Thompson Pass Highway 471 route that traverses the Montana/Idaho border is closed during the winter months. Many residents of Sanders County use the Thompson Pass route to access services in Idaho and Washington and residents in those states use the route to travel to Sanders County. By going over the mountain as opposed to around the mountain (required in winter), this route significantly reduces the distance to reach these areas and the amount of fuel required. Closing the Thompson Pass route in winter also virtually stops any commerce between communities in Sanders County and Shoshone County in Idaho. We believe that it is time to reevaluate the economic and social impact that might result from keeping the Thompson Pass open during the winter months. This will be done during the coming 2 years.

There is always a need for affordable, relevant transportation options, especially for disadvantaged populations, within the county. The rural nature of Sanders County, the high cost of fuel, a lack of funding and a poor overall economy combine to make this an especially difficult problem to address. There has been some progress, however. For example, some organizations sponsor van travel to distant cities, like Missoula, for a small fee. Facing high and increasing gas prices, many people naturally look for opportunities to “carpool”. A recent county survey indicates that 61% of county residents believe that adequate transportation exists for the elderly and needy within the county. However a substantial portion of the respondents believe that more needs to be done and this necessitates a review of transportation options within the county during the coming strategic period.

Airports

Public airports in Sanders County include those located at Hot Springs, Plains and Thompson Falls, in addition to several private airports. The Hot Springs county airport encompasses 117 acres at an elevation of 2,763 feet. Its runway is 2,580 feet by 75 feet, surfaced with gravel, and in good condition. There are no fuel or repair services available. The Plains airport encompasses 259 acres at an elevation of 2,467 feet. Its runway is 4650 feet in length by 75 feet, surfaced with asphalt. The airport at Thompson Falls encompasses 136 acres at an elevation also at 2,467 feet. Its runway is 4200 feet in length by 75 feet, surfaced with asphalt. Fuel is available.

A list of priorities for transportation services that have been set by Sanders County may be found in the Action Plans included in Section 6.

SUB-CATEGORY: EDUCATION AND WORKFORCE DEVELOPMENT

WESTERN RURAL DEVELOPMENT REGION

As can be seen from the following chart, the region, as a whole, lags behind the State of Montana relative to level of education of its residents, with Lake County being the highest performing. Both Mineral and Sanders Counties have performance issues when compared both to the state and the US. The area is fortunate in having both the Salish Kootenai College and Kicking Horse Job Corps Center in Lake County, and good community colleges with technical skills programs located in Kalispell to the north and Missoula to the South. As we look at our existing and emerging businesses (those with the best potential for long term economic stability and growth) and listen to their expressed needs for a work force that could serve them now and into the future, we see an increasing need for work with technical skills that do not necessarily require a full college education. By comparing those needs to skills being taught at our high school and post-secondary institutions, we can plan for additional training programs to provide those needed skills, possibly through an area-wide business-education task force.

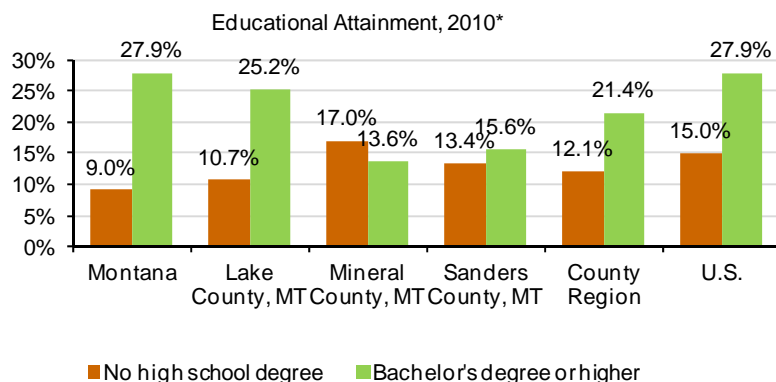
Educational Attainment, 2010*

	Montana	Lake County, MT	Mineral County, MT	Sanders County, MT	County Region	U.S.
Total Population 25 yrs or older	654,124	18,900	3,038	8,374	30,312	199,726,659
No high school degree	59,132	2,016	516	1,122	3,654	29,898,483
High school graduate	594,992	16,884	2,522	7,252	26,658	169,828,176
Associates degree	51,436	1,529	162	522	2,213	15,021,920
Bachelor's degree or higher	182,330	4,771	414	1,307	6,492	55,726,999
Bachelor's degree	125,754	3,131	309	1,027	4,467	35,148,428
Graduate or professional	56,576	1,640	105	280	2,025	20,578,571

Percent of Total

No high school degree	9.0%	10.7%	17.0%	13.4%	12.1%	15.0%
High school graduate	91.0%	89.3%	83.0%	86.6%	87.9%	85.0%
Associates degree	7.9%	8.1%	5.3%	6.2%	7.3%	7.5%
Bachelor's degree or higher	27.9%	25.2%	13.6%	15.6%	21.4%	27.9%
Bachelor's degree	19.2%	16.6%	10.2%	12.3%	14.7%	17.6%
Graduate or professional	8.6%	8.7%	3.5%	3.3%	6.7%	10.3%

* The data in this table are calculated by ACS using annual surveys conducted during 2006-2010 and are representative of average characteristics during this period.



In the 2006-2010 period, the U.S. had the highest estimated percent of people over the age of 25 with a bachelor's degree or higher (27.9%), and Mineral County, MT had the lowest (13.6%). In the 2006-2010 period, Mineral County, MT had the highest estimated percent of people over the age of 25 with no high school degree (17.0%), and Montana had the lowest (9.0%).

Based on interviews and a study conducted by Lake County Community Development Corporation in 2010, the following information examines education and workforce development via results obtained through the Western Montana Regional Innovation Grant Program.

Workforce and Employment Conditions and Trends

To help gain better insight into the workforce development sector in Lake County, the following Lake County businesses were surveyed:

- Ashley Martin – Arlee – manufacturer (health supplement manufacturer)
- SK Electronics – Pablo – manufacturer (electrical component manufacturer)
- St. Joe Hospital – Polson – hospital
- Jore Corporation – Ronan – manufacturer (drill bit and companion piece manufacturer)
- DRS Technologies – Polson – manufacturer (electrical components)
- Country Foods, Inc – Polson – manufacturer (food products)

Employment

At the time of the study performed in 2010, no companies are increasing employment at this time. At the time, only Ashley Martin (Arlee) and DRS Technologies (Polson) has potential for an FTE increase based upon long term projects under development which may include substantial expansion of their businesses. (Since the time of these interviews, a new manufacturer of outdoor power equipment (OPE, Inc) has opened and is currently employing 42 skilled assembly workers, with plans to at least double that in the next year. Their profile of labor needs is similar to those listed above)

Employee Readiness Issues

All companies experience the most difficulty (lack of a strong pool of workers) in finding and retaining workers in the hourly skilled and non skilled categories. The most notable deficiencies reflect an ill prepared workforce which lacks in the following:

- Lack of computer and software skills
- General knowledge of the manufacturing/warehousing environment
- Communication skills (oral and written)
- Basic mathematics skills (reading a ruler; following a recipe or instruction)
- Problem solving skills
- Customer service skills
- Aptitude for leadership
- Conflict resolution in the workplace
- Absenteeism issues and the consequences to the company

All companies would support this type of training from the outside, especially through adult education and/or literacy training. Several mentioned a desire for more emphasis in the school curriculum for these skills to be a critical component of the curriculum, working hand-in-hand with computer, vocational training, CAD drawing and machining operations and maintenance.etc. Job training that is specific to the employer's niche is generally provided by the company and customized to their needs and schedule requirements. They consider industry specific training to be part of their responsibility, a natural cost of doing business, and feel they are best positioned to develop the training. In the

example of the hospital, the local college is used for CNA and RN certifications; however the local college restricts class participation by non Native population.

Professional, management and specialty-skilled workers are generally recruited to this area because of the quality of life factor and enthusiasm for the outdoor life style. Because these groups are typically paid a higher wage, quality of life becomes a major component of the work decisions. On the other hand, lower skilled workers who are paid less are less drawn to the “quality of life” factor, economically, and the rural nature of the County and lack of services can be an impediment to attracting those workers.

Curriculum/Enrollment/Adult Ed

Various schools in Lake County were interviewed between 2009 and 2010 relative to both their offerings and how they might better accommodate adult education and/or workforce development in the future:

High School

Interviews with Polson and Ronan High Schools included sessions with the District Superintendent; HS Principals; Guidance Counselors and/or Curriculum Directors. Both schools reported falling enrollment and a “graduation rate” of 70-75% from freshman entries. A problem that both discussed relative to the defined “graduation rate” is that if a young person leaves school and goes to get his/her GED, the school has to count them as a drop out – even if that person goes from their GED to gaining a PHD somewhere.

Whereas the greatest emphasis continues to be on college-bound (including both 2-yr and 4-yr schools), both schools consider themselves to have a variety of “career” tracks that students can choose from. Polson begins its tracking in earnest in the 8th grade where kids are tested and provided options for their HS course-work. This year, they are introducing a teacher/coach system, where each incoming freshman is assigned a teacher/counselor that has similar interests to those expressed by the student and will work with them through their HS career to help motivate/guide the student in their career choices. Ronan is especially concerned with meeting OPI and NCLB criteria and their students have been progressively achieving at a higher level. Both schools offer some degree of fast-tracking, and Polson works, on a minimal level, with Flathead Valley College to enroll students in college-level courses. They would like to see this program expanded. Ronan offers an aggressive “agriculture technology” program that is more focused in college prep for MSU-Bozeman. Ronan is more aggressive with students wanting to leave school and trying to find suitable placement at a Job Corps or other location that offers GED and vocational training. Relative to vocational training, the following cross-section of alternative classes are offered:

- Building Trades
- Welding
- Advanced Computer Science
- Shop/CAD
- Advanced Business
- Family Consumer Science/Culinary Arts
- Agriculture Technology

Polson has the most aggressive non-technology curriculum with advanced business and economics options for students. In discussions with both schools relative to the issues raised by employers regarding work ethic, attitude, application of basic skills, etc. both schools emphasized that there needed to be more aggressive changes in early-childhood learning and

within the family structure before we would see much improvement at the high school level. Polson has received a grant to assist them in developing a model along those lines.

Adult Education

While schools in Polson and Ronan, offer limited adult education classes, they are based on community demand rather than a curriculum, per se. Both are open to expanding these programs in that they would/could offer the school's resources to a structured class that has the teaching component with it. Polson is more limited than Ronan in that it could only be used within the school year. Summary: There is a gap between employer perception of students "readiness to work" and what the schools feel they are producing. Both school districts indicated a willingness to participate in a future task force comprised of educators and employers to determine how this gap might be shortened. Both schools stressed the need to begin the work in early childhood – working with both parents and children – if there is to be a sustaining change in how we as a society approach work. Students geared to succeed will succeed in the face of most all challenges. Children geared for mediocrity or failure will tend to struggle despite opportunities to change or succeed.

Public Education

The region boasts numerous K-12 school districts. The following maps represent the high school districts (top) and elementary school districts (bottom) within the region:



- Lake County High School Districts (State of Montana defined): Arlee, Charlo, Polson, Ronan, and St. Ignatius. Private High School District: Two Eagle River
- Mineral County School Districts: Alberton, Superior, and St. Regis
- Sanders County School Districts: Hot Springs, Plains, Noxon, and Thompson Falls

Source: <http://nris.mt.gov/gis/gisdata/lib/downloads/hisched2004.pdf>

- Lake County Elementary School Districts: Arlee, Charlo, Polson, Ronan, St. Ignatius, Upper West Shore, Valley View
- Mineral County School Districts: Alberton, St. Regis, Superior
- Sanders County Elementary School Districts: Camas Prairie, Dixon, Hot Springs Noxon, Paradise, Plains, Thompson Falls, Trout Creek



Source: <http://nris.mt.gov/gis/gisdata/lib/downloads/elsched2004.pdf>

Student Population in Western Rural Development Region 2010-2011¹⁸

School	Attendees	Native American Attendees
Lake County	4,252	55%
Mineral County	596	4%
Sanders County	1,448	12%

Student Population in the Flathead Indian Reservation and Lake County, 2010-2011¹⁹

School	Attendees	Native American Attendees
Arlee Elementary and Junior High	282	59%
Arlee High School	130	62%
Charlo Elementary and Junior High	189	28%
Charlo High School	102	10%
Dayton Elementary	36	14%
Nwkusm	23	100%
Pablo Elementary	269	90%
Polson Elementary	1,164	40%
Polson High School	517	37%
Ronan Elementary and Junior High	763	66%
Ronan High School	316	58%
St. Ignatius Elementary and Junior High	335	67%
St. Ignatius High School	153	51%
Swan Lake Elementary	3	0%
Two Eagle River School Junior High	20	100%
Two Eagle River High School (2011-2012)	103	96%
Valley View	28	7%

¹⁸ Retrieved from the Montana Office of Public Instruction, as well as individual schools within the county

¹⁹ Retrieved from the Montana Office of Public Instruction, as well as individual schools within the county

Student Population in Mineral County, 2010-2011²⁰

School	Attendees	Native American Attendees
Alberton Elementary	101	2%
Alberton High School	51	2%
Superior Elementary	176	5%
Superior High School	110	6%
St. Regis Elementary	133	2%
St. Regis High School	41	2%

Student Populations in Sanders County, 2010-2011²¹

School	Attendees	Native American Attendees
Dixon Elementary	66	54%
Hot Springs Elementary	140	20%
Hot Springs High School	59	27%
Noxon Elementary	54	13%
Noxon High School	77	3%
Paradise Elementary	31	10%
Plains Elementary	279	6%
Plains High School	155	7%
Thompson Falls Elementary	290	11%
Thompson Falls High School	187	3%
Trout Creek Elementary	50	3%

²⁰ Retrieved from the Montana Office of Public Instruction, as well as individual schools within the county

²¹ Retrieved from the Montana Office of Public Instruction, as well as individual schools within the county

Within the Western Rural Development Region, students of all ages have access to institutions of higher education

Flathead Valley Community College

To the north, Kalispell, MT offers Flathead Valley Community College (FVCC). The college hosts many Associate Degrees, as well as technical and professional programs including Nursing, Substance Abuse Counseling, and Applied Science. FVCC prides itself in working closely with the business community and developing curriculum that targets workforce development reflecting the needs of the employers. It has staff that meets regularly with economic development and Job Service and participates as a member of the *Business Expansion and Recruitment (BEAR)* interview team that provides outreach services to the business community.

Kicking Horse Job Corps Center

Kicking Horse Job Corps is an educational/vocational residential training center for economically disadvantaged youth between the ages of 16-24. The center's capacity is 224 trainees: 112 females and 112 males. Nearly 2/3 of the students who enroll are there to obtain a GED in addition to technical training. Job Corps has a "Zero Tolerance" policy for drugs, alcohol, violence and harassment. All students are drug tested upon entry. If they test positive, they have 45 days to clean up or they are expelled from the program.

All students take math and English placement (TABE) tests upon entry and are enrolled in adult literacy classes accordingly. They cannot progress through a GED or into advanced trades until literacy scores are improved to a specific level. Students who complete a GED and reach 80% completion of their vocational training are eligible to earn a high school diploma through an articulation agreement with Two Eagle River School in Pablo.

The highest job placement areas are in heavy equipment operation and dental assistance programs. Their dental assistance students are enrolled in a cooperative agreement with Salish Kootenai College and are bused to the college each day for classes. Length of stay at Kicking Horse is program-specific, following completion of the GED, and can range from 6 to 24 months. Other certification programs include: certified nursing assistant/medical assistant, heavy equipment repair, pharmacy technician, and office administration. The center is reestablishing its culinary arts and facilities maintenance programs, which will be offered soon. The institution has also introduced a program of "Career Success Standards (CSS)", setting an expectation in the areas of employability, social development and independent living skills. The intent is to weave the program's standards into all aspects of daily life and classes at Job Corps.

As a result, Job Corps is evolving into a viable option for students preparing to enter the workforce and is most responsive to the needs for a quality of worker as expressed by the employers.

Montana State University – Extension

Montana State University – Extension is located in Polson, Ronan and Superior, MT. MSU Extension is a statewide educational outreach network that applies unbiased, research-based university resources to practical needs identified by the people of Montana in their home communities.

Salish Kootenai College

Salish Kootenai College is a Tribal college that is located in Pablo, MT. With views of the beautiful Mission Mountain Range and close to the shores of Flathead Lake, Salish Kootenai College offers numerous two-year Associate Degrees and four-year Bachelor Degrees. Among the variety of concentrations, some include: Business/Entrepreneurship,

Psychology, Social Work, Computer Engineering, Elementary Education, Environmental Science, Hydrology, Native American Studies, Engineering Graphics, Nursing, Dental Assisting Technology, Highway Construction Training, and Office Professions.

Salish Kootenai College is developing parts of its curriculum to help meet the needs of local employers. As an example, Salish Kootenai College reached an educational partnership agreement with the Naval Undersea Warfare Center of Newport, R.I. At the basic level, the agreement will provide internships for SKC students who will assist with research and development of digital acoustic sensor technology at the Naval Undersea Warfare Center. This agreement should also help the college recruit science, technology, engineering, and mathematics students to its campus that can take advantage of the opportunity, and also help tribal businesses and Montana high-tech companies recruit from a highly trained local workforce.

Salish Kootenai College has developed a new 2010-2015 Strategic Plan²², which identified several strategic initiatives. Among the initiatives, Strategic Initiative 2 reflects a strong correlation with the College's aspiration to improve the delivery of quality education for workforce preparation. Goals of this initiative include:

- Expand academic programming to respond to community and tribal workforce needs
- Expand opportunities for students to enhance career exploration and work readiness and increase civic engagement.

Through these goals, Salish Kootenai College plans to expand internship and externship opportunities; conduct comprehensive needs survey every five years to explore areas for new program development that includes potential programs in health careers, green technologies, construction-related fields, Native American Studies Bachelor's Degree, Fine Arts, and a degree in public/tribal administration; and become a center of science education with an emphasis on Native American worldview and application of science to indigenous issues.

The University of Montana

Missoula, MT is located south of the service area and is home to the University of Montana. The University of Montana is a liberal arts university that offers an undergraduate program and professional schools that specialize in Law, Physical Therapy, and Pharmacy. Additionally, the University of Montana-College of Technology is located in Missoula and presents course offerings in Applied Arts and Sciences, Applied Computing and Electronics, Business Technology, Health Professions and Industrial Technology.

²² Salish Kootenai College Strategic Plan, 2010-2015

Education and Workforce Development Strategies – Western Rural Development Region

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Continue developing local educational curriculum that reflects the needs of local employers	Build an infrastructure that equips local students and workforce with skills necessary for the needs of local employers	Creates a talented local workforce that meets the demands of local employers; helps local workforce stay in the region, rather than leave for out-of-state opportunities
Expand college-preparation experiences and courses	Work with highs schools and colleges to continue to increase curriculum relevant to current business needs and life skills	Students coming out of high school, whether they plan on additional education or not, have a realistic understanding of their options, the needs of the types of businesses with which they seek employment.
Expand availability of management, marketing, accounting and other base management/operations courses for small businesses	Assure all small businesses have optimal chances to succeed in competitive environments and global markets	Small businesses continue to be the lifeblood of our communities; creating vibrant and thriving economies sustaining themselves, creating jobs and taking advantage of the opportunities they have for success
Expand resources of local development organizations to conduct annual “BEAR” (Business Expansion and Recruitment) interview with businesses of all levels in order to assess business health; determine their needs; and anticipate what changing skills may be required from the available workforce.	Create a means by which businesses can communicate their needs on an ongoing basis, especially as relate to the development of a workforce that serves their needs	Businesses understand that they have access to a trained and educated workforce that suits both existing and future needs; and participate in the development of new curriculum or other training programs that will best fit their future needs

SUB-CATEGORY: FINANCIAL SERVICES

WESTERN RURAL DEVELOPMENT REGION

The Western Rural Development Region has historically fallen behind the rest of Montana with regards to various economic indicators. Whether it's the unemployment rate or per capita personal income, the region has been thematic in its position amongst counties in Montana that have experienced limited financial resources – both prior to the recent recession and after.

However, the region's local community banks have withstood national economic hardships and recessions. Today, these financial institutions are growing and moving in positive directions. Notably, our region contains many banks that did not receive financial assistance from the Emergency Economic Stabilization Act of 2008 – also known as the, “bank bailout”.

As can be seen by the chart below, the Western Rural Development Region is served by a variety of full service community and/or regional financial institutions with home or branch locations in among the three counties. These banks meet the majority of needs for personal and business financing in the region except when the amount of capital needed outstrips the lending capacity of the local bank. Nationally based banks with larger lending capacities are located in Missoula.

The following information is current as of December 31st, 2011:

Bank Name	Home Office	Regional Locations	Assets	Loans	Deposits
First Security Bank of Missoula	Missoula, MT	Plains, Thompson Falls	1,103,547,000	575,254,000	732,672,000
Rocky Mountain Bank	Billings, MT	Plains	434,565,000	295,322,000	383,154,000
First Citizens Bank	Polson, MT	Polson	23,932,000	14,360,000	20,888,000
First Interstate Bank	Billings, MT	Polson	7,294,743,000	4,183,684,000	5,827,225,000
Eagle Bank (Owned by CSKT)	Polson, MT	Polson	29,926,000	11,514,000	27,217,000
Bitterroot Valley Bank	Lolo, MT	St. Regis, Superior	192,324,000	156,079,000	172,007,000
Missoula Federal Credit Union	Missoula, MT	Ronan	350,059,796	287,452,010	153,468,745
Lake County Bank	St. Ignatius, MT	St. Ignatius	29,639,000	14,589,000	25,971,000
Community Bank, Inc.	Ronan, MT	Ronan, Pablo, Polson	95,502,000	55,690,000	83,110,000
Wells Fargo Bank, National Association	Sioux Falls, SD	Superior	1,161,490,000,000	739,693,000,000	905,653,000,000
Valley Bank of Ronan	Ronan, MT	Arlee, Hot Springs, Polson, Ronan, Thompson Falls	65,817,000	41,543,000	57,957,000
Glacier Bank	Kalispell, MT	Polson	1,375,690,000	797,531,000	807,505,000
Whitefish Credit Union	Whitefish, MT	Polson, Thompson Falls	1,220,660,794	1,091,647,725	753,295,599
Mullan Trail Bank	Hamilton, MT	St. Regis, Superior	192,323,699	141,878,728	152,978,748

Source: FDIC and/or Bank Publications for the Period

In addition to traditional financial institutions such as credit unions and banks listed above, there are several “community-based” alternative sources to capital and financing for businesses. The following list represents various organizations and businesses that can help a business or entrepreneur obtain different forms of financing:

Lake County Community Development Corporation, covering Lake County and the CRDC Region

Since 1995, Lake County Community Development Corporation has operated and maintained a Revolving Loan Fund (RLF) for community and economic development purposes. It has recently been designated by the U.S. Treasury as a *Community Development Finance Institution (CDFI)*; the intent of the RLF is to circulate a pool of funds within the local community for business purposes, and to act as a gap financier for intermediate and long term capital. Only businesses and entrepreneurs located on the Flathead Indian Reservation and Lake, Mineral, and Sanders Counties may apply for loan funding. Awarded loan funding is typically provided for the purchasing of equipment, inventory, or buildings, as well as operating and working capital. LCCDC operates the largest loan fund within the regional partnership, and partners with the smaller loan funds within Mineral and Sanders Counties, operated by Mineral County Economic Development Corp and Sanders County Community Development Corp. These organizations do not provide any consumer lending. The organization assists businesses to access state and federal funding sources that may include loans for working capital, expansion, equipment or new construction; new market tax credits; workforce training; research and development; new initiatives such as green energy production and farm-to-school programs, etc.

Other regional development corporations located in Missoula and Kalispell offer similar services.

Mann Mortgage

A Montana-based company, Mann Mortgage helps qualified members of its community access home ownership mortgage loans. In addition to Montana, Mann Mortgage is located in Arizona, California, Colorado, Hawaii, Idaho, Nevada, Oregon, Utah, Washington, and Wyoming.

Confederated Salish and Kootenai Tribes

The Confederated Salish and Kootenai Tribes (CSKT) provide various lending and financing services. The following are some of the programs and entities that offer lending assistance²³ directly to Tribal members or Tribally-owned businesses.

²³ Confederated Salish and Kootenai Tribes Comprehensive Economic Development Strategy; prepared by S&K Holding Company, 2010.

Tribal Credit Program

The Tribal Credit Program is managed as a Tribal department with an appointed Credit Committee for making loan decisions. The loan portfolio has grown to \$34,500,000 in short-term consumer and long-term mortgage, farm and ranch and business loans. In the mid to late 1980's, the Credit Program suffered considerable losses due to the making of high-risk small business loans. The loan program therefore has shifted away from making business loans, other than for farm and ranch operations.

S&K Holding Company, Inc.

S&K Holding Company (SKHC) was established in the early 1990's as a for-profit wholly owned subsidiary corporation to serve as the economic development arm of the Confederated Salish and Kootenai Tribes and to evaluate and undertake business operations in ventures with profit potential. SKHC's office is located in Pablo, MT, 2 miles north of Tribal Headquarters.

Sovereign Leasing and Financing, Inc. (SLF)

SLF is a leasing and financing company with a \$1.3 million loan and leasing portfolio. Clients include Tribal members, Tribal Descendants, and Tribally owned enterprises, all of which must be for business purposes and must be located within the reservation external boundaries. These businesses utilize SLF funds for cash flow management, equipment purchase, etc. SLF is located in the SKHC office facility in Pablo, MT.

As business needs continue to grow within the region, there needs to be a continuing commitment to assure there is adequate capital available to finance those needs, both through traditional banks and through the more non-traditional sources such as those listed above.



Former Montana Governor, Brian Schweitzer visiting Mission Mountain Food Enterprise Center



Lake County Community Development staff visiting with Senator Jon Tester during a recent visit to the Mission Mountain Food Enterprise Center.

4. Regional Focus on Industry Sectors

Throughout the process of developing Lake County Community Development Corporation's Comprehensive Economic Development Strategy, several focus areas became thematic within the region as being primary areas of development and most likely to significantly affect the future economies of the region and to create living wage jobs for its citizens. This section discusses the both the existing conditions of these industry sectors and the potential opportunities, both regionally and as seen from the perspective of the Confederated Salish & Kootenai Tribes, as described in their *CEDS* document completed in 2010 and current conversations, and that of the individual counties. It should be noted that while economic development throughout the region is heavily impacted by the presence and influence of the Tribes, it is most obviously felt in Lake County and intertwined with the activities of the sectors of that economy. For these reasons, the Lake County and CSKT discussion are provided under the same heading. Every attempt has been made to segregate and explain those strategic objectives that are clearly identified and controlled by the Tribe.

While the writers have not found any areas of specific conflict or opposing views, there is a natural expectation that the Tribe may implement certain plans and objectives separately so as to insure the greatest possible benefit to their members. For instance, increasing access to financial services and increasing direct technical assistance to emerging and growing companies is a mutual goal; however, while Lake County Community Development bears primary responsibility for providing those services to all businesses in Lake County, CSKT may determine that Indian-owned businesses may be better served through other avenues and resources that the Tribe makes specifically available to its members. Other examples include goals and objectives for development of certain industries that meet the overall goals of county and/or local governments and CSKT, but must assure consideration of such things as the ongoing negotiations to reach a comprehensive water rights settlement (under the Reserved Water Rights Compact Commission) and/or the future implications from the CSKT's acquisition and management of Kerr Dam.

The following Industry Sectors are considered as having the highest potential for development throughout the region. They represent both increased opportunities for job creation (at or above living wages) and the need for increased focus on development a skilled workforce that can take advantage of the created opportunities:

- Commerce and Industry (including Manufacturing)
- Health and Human Services
- Food and Agriculture Industries
- Natural Resources and Energy Development
- Technology
- Tourism

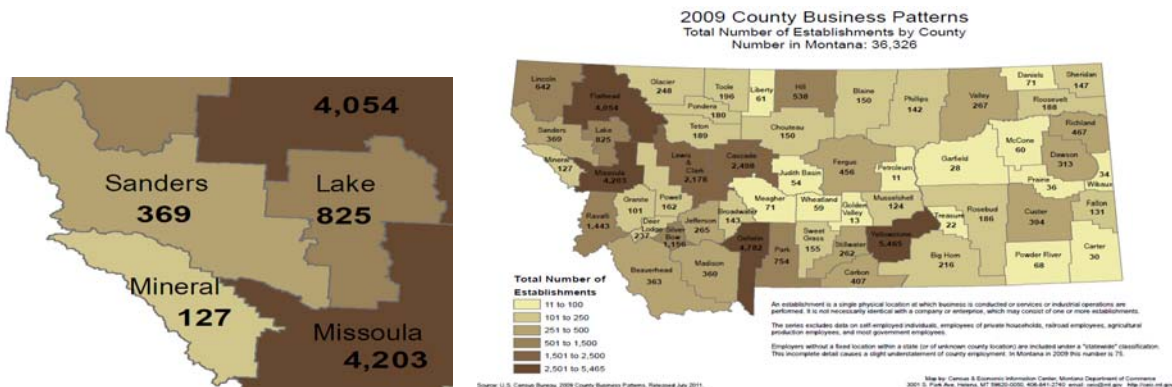
COMMERCE AND INDUSTRY:
WESTERN RURAL DEVELOPMENT REGION

While acknowledging that the recession has caused unprecedented high unemployment throughout the country, the Flathead Indian Reservation and the three counties that make up this economic region have consistently rated among the highest in the state relative to unemployment and poverty and the lowest relative to income, even prerecession. The region has reached a critical point with regard to the need for assistance to curb escalating unemployment and to urgently address opportunities for job creation in a more creative way. The following is data that represents some of the current conditions within the Commerce and Industry sector for the Western Rural Development Region. It should be noted that presentations are shown, by County; however that data encompasses the Reservation data for these purposes.

WRDR Commerce and Industry Conditions and Trends

Where data has been retrieved from the Headwaters Economics *Economic Profile System* it should be noted that the data is coded indicating the following: “Data accuracy is indicated as follows: BLACK indicates a coefficient of variation < 12%; ORANGE ITALICS indicates between 12 and 40%; and RED BOLD ITALICS indicates a coefficient of variation > 40%.”

As of 2009, the region had 1,321 business establishments. According to the Montana Census Economic Information Center (CEIC), an establishment is a single physical location at which business is conducted or services or industrial operations are performed. It is not necessarily identical with a company or enterprise, which may consist of one or more establishments. The series excludes data on self-employed individuals, employees of private households, railroad employees, agricultural production employees, and most government employees.



Source: http://ceic.mt.gov/graphics/Data_Maps/CntyBusPat09.pdf

Employment

In 2009 the three industry sectors with the largest number of jobs were government (3,852 jobs), retail trade (2,502 jobs), and health care, social assistance (2,049 jobs). From 2001 to 2009, the five industry sectors that added the most new jobs were real estate, rental, leasing (418 new jobs), professional, scientific, tech. (252 new jobs), government (214 new jobs), Construction (197 new jobs), and Health care and social assistance (180 new jobs). Manufacturing lost 514 jobs, primarily due to down-turns in the wood products industry and at Jore Manufacturing. Real estate related jobs and construction have both taken a serious hit over the last couple of years and is not expected to regain its prior prominence for several years following the downturn in the housing markets. It should be noted that, according the Bureau of

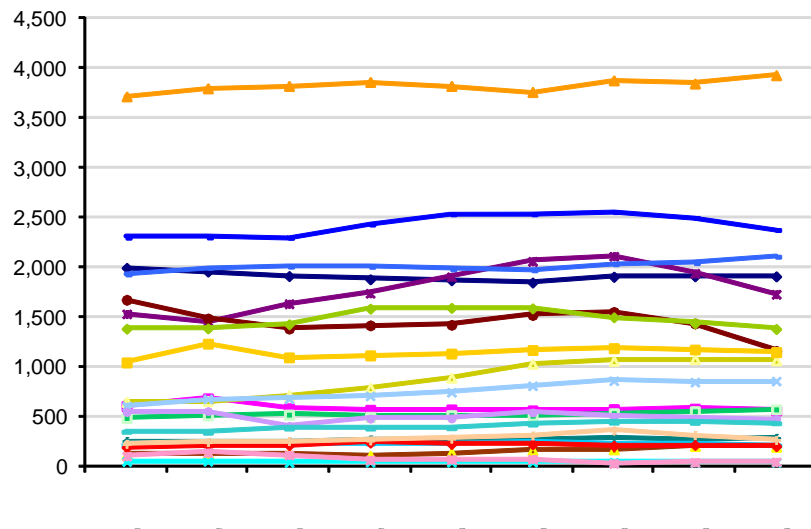
Economic Analysis, all jobs for Tribally-owned businesses are reported under “government” employment, thus inflating this number in the region to the detriment of classifications including manufacturing, health care and professional services. Efforts are under way to determine the level of misrepresentation and addend these tables accordingly. This will have a major impact on both the manufacturing and professional, scientific, and tech. categories, since both the Tribally-owned S&K Electronics (manufacturer) and S&K Technologies (professional) are major employers in these sectors. **Major growth is anticipated in both these sectors over the next 5 years, as well as in Health-care. New industry classifications entitled “Renewable Energy” and relayed systems have been established under NAICS, which is the other major growth industry for the region.**

Employment by Industry, 2001-2009

	2001	2009	Change 2001-2009
Total Employment (number of jobs)	20,671	21,484	813
Non-services related	5,950	5,582	-368
Farm	2,000	1,914	-86
Forestry, fishing, & related activities	611	566	-45
Mining (including fossil fuels)	122	202	80
Construction	1,537	1,734	197
Manufacturing	1,680	1,166	-514
Services related	10,415	11,547	1,132
Utilities	55	45	-10
Wholesale trade	259	290	31
Retail trade	2,306	2,383	77
Transportation and warehousing	226	217	-9
Information	197	208	11
Finance and insurance	491	578	87
Real estate and rental and leasing	652	1,070	418
Professional and technical services	610	862	252
Management of companies and enterprises	107	50	-57
Administrative and waste services	551	480	-71
Educational services	231	270	39
Health care and social assistance	1,935	2,115	180
Arts, entertainment, and recreation	356	440	84
Accommodation and food services	1,389	1,385	-4
Other services, except public administration	1,050	1,154	104
Government	3,721	3,935	214
Percent of Total			% Change 2001-2009
Total Employment			3.9%
Non-services related	28.8%	26.0%	-6.2%
Farm	9.7%	8.9%	-4.3%
Forestry, fishing, & related activities	3.0%	2.6%	-7.4%
Mining (including fossil fuels)	0.6%	0.9%	65.6%
Construction	7.4%	8.1%	12.8%
Manufacturing	8.1%	5.4%	-30.6%
Services related	50.4%	53.7%	10.9%
Utilities	0.3%	0.2%	-18.2%
Wholesale trade	1.3%	1.3%	12.0%
Retail trade	11.2%	11.1%	3.3%
Transportation and warehousing	1.1%	1.0%	-3.8%
Information	1.0%	1.0%	5.6%
Finance and insurance	2.4%	2.7%	17.7%
Real estate and rental and leasing	3.2%	5.0%	64.1%
Professional and technical services	3.0%	4.0%	41.2%
Management of companies and enterprises	0.5%	0.2%	-53.3%
Administrative and waste services	2.7%	2.2%	-12.9%
Educational services	1.1%	1.3%	16.9%
Health care and social assistance	9.4%	9.8%	9.3%
Arts, entertainment, and recreation	1.7%	2.0%	23.7%
Accommodation and food services	6.7%	6.4%	-0.3%
Other services, except public administration	5.1%	5.4%	9.9%
Government	18.0%	18.3%	5.8%

Source: Montana Quickfacts, US Census Bureau

Employment by Industry, Western Rural Development Region



All employment data are reported by place of work. Estimates for data that were not disclosed are shown in italics.

Employment by Occupation, 2010*

	Lake County, MT	Mineral County, MT	Sanders County, MT	Western Rural Development	U.S.
Civilian employed population > 16 years	11,819	1,782	4,712	18,313	141,833,331
Management, professional, & related	4,078	432	1,333	5,843	50,034,578
Service	2,413	400	960	3,773	24,281,015
Sales and office	2,483	446	1,005	3,934	36,000,118
Farming, fishing, and forestry	131	65	107	303	1,011,461
Construction, extraction, maint., & repair	1,327	211	649	2,187	12,928,812
Production, transportation, & material moving	1,387	228	658	2,273	17,577,347

Percent of Total

Management, professional, & related	34.5%	24.2%	28.3%	31.9%	35.3%
Service	20.4%	22.4%	20.4%	20.6%	17.1%
Sales and office	21.0%	25.0%	21.3%	21.5%	25.4%
Farming, fishing, and forestry	1.1%	3.6%	2.3%	1.7%	0.7%
Construction, extraction, maint., & repair	11.2%	11.8%	13.8%	11.9%	9.1%
Production, transportation, & material moving	11.7%	12.8%	14.0%	12.4%	12.4%

Source: Montana Quickfacts, US Census Bureau

Number of Households Receiving Earnings, by Sector, 2010

In 2010, labor earnings in the WRDR comprised a smaller percentage of total earnings per household when compared to the United States and Montana. Expectedly, other forms of income including Social Security, retirement income, and other assistance incomes rose as a percentage in the WRDR. During the same period, the highest estimated percent of public assistance in the County Region was in the form of Social Security (SS) (36.8%), and the lowest was in the form of Cash public assistance income (1.8%).

	Montana	Lake County, MT	Mineral County, MT	Sanders County, MT	County Region	U.S.
Total households:	401,328	12,015	1,760	5,119	18,894	114,235,996
Labor earnings	318,001	8,870	1,285	3,521	13,676	91,045,812
Social Security (SS)	117,898	4,124	746	2,086	6,956	31,387,932
Retirement income	70,917	2,558	408	1,162	4,128	19,998,762
Supplemental Security Income (SSI)	13,709	524	138	321	983	4,626,547
Cash public assistance income	8,345	236	36	66	338	2,816,127
Food Stamp/SNAP	32,783	1,772	225	614	2,611	10,583,720

Percent of Total[^]

Labor earnings	79.2%	73.8%	73.0%	68.8%	72.4%	79.7%
Social Security (SS)	29.4%	34.3%	42.4%	40.8%	36.8%	27.5%
Retirement income	17.7%	21.3%	23.2%	22.7%	21.8%	17.5%
Supplemental Security Income (SSI)	3.4%	4.4%	7.8%	6.3%	5.2%	4.0%
Cash public assistance income	2.1%	2.0%	2.0%	1.3%	1.8%	2.5%
Food Stamp/SNAP	8.2%	14.7%	12.8%	12.0%	13.8%	9.3%

Source: Montana Quickfacts, US Census Bureau

Average Wage per Job

Consistent with other economic indicators, the average wage per job in the region has increased; however, a gap still remains between our region and the state of Montana's average wage per job. The targeted industries for growth, as stated previously, have substantially higher rates of pay associated with them and it is anticipated that these figures will substantially improve over the next 5-years.

	2006	2007	2008	2009
Montana	\$30,711	\$32,363	\$33,404	\$33,918
Lake	\$26,559	\$27,841	\$28,944	\$29,663
Mineral	\$22,299	\$23,728	\$23,501	\$23,453
Sanders	\$24,223	\$25,207	\$26,175	\$26,781

Source: Regional Economic Information System, Bureau of Economic Analysis (BEA), U.S. Department of Commerce (December, 2010)

Labor Force Statistics as of December 2011

A major goal of the region is to develop a workforce that is equipped with the training and education necessary for jobs already in existence. This would include classes, internships and apprenticeships, and relevant education that seek to fill the needs of employers within the region. Salish Kootenai College is helping to lead this effort by creating goals that

examine the needs of local employers as it relates to the College's program development, including programs in health careers, green technologies, construction-related fields, Native American Studies Bachelors Degree, Fine Arts, and a degree in public/tribal administration.

	Labor Force	Employed	Unemployed	Unemployment Rate	Rank (from highest)
Montana	496,092	462,673	33,419	6.7%	
Lake	11,236	10,089	1,147	10.2%	50 th
Mineral	1,909	1,670	239	12.5%	53 rd
Sanders	4,248	3,604	644	15.2%	55 th

Source: Montana Department of Labor and Industry

Commuting Characteristics, 2010

Though Montana is well-known for being the 4th largest state in the United States, commuting distances are significantly less in the WRDR when compared to averages within the United States. From 2006-2010, the U.S. had the highest estimated percent of people that worked outside the county of residence (27.4%), and Sanders County, MT had the lowest (14.3%) within the table. The data in this table are calculated by American Community Survey (ACS) using annual surveys conducted during 2006-2010 and are representative of average characteristics during this period.

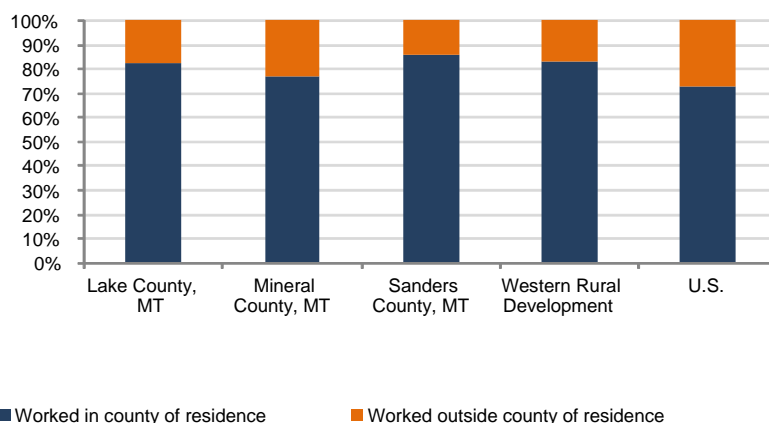
	Lake County, MT	Mineral County, MT	Sanders County, MT	Western Rural Development	U.S.
Workers 16 years and over	11,335	1,702	4,486	17,523	139,255,035
PLACE OF WORK:					
Worked in county of residence	9,362	1,316	3,844	14,522	101,118,449
Worked outside county of residence	1,973	386	642	3,001	38,136,586
TRAVEL TIME TO WORK:					
Less than 10 minutes	3,036	688	1,344	5,068	18,832,538
10 to 14 minutes	1,764	227	669	2,660	19,299,572
15 to 19 minutes	1,699	113	475	2,287	20,718,310
20 to 24 minutes	1,078	107	256	1,441	19,588,462
25 to 29 minutes	399	41	60	500	8,070,188
30 to 34 minutes	857	158	383	1,398	17,862,104
35 to 39 minutes	134	19	117	270	3,627,253
40 to 44 minutes	242	35	70	347	4,802,466
45 to 59 minutes	434	71	230	735	9,995,400
60 or more minutes	590	124	513	1,227	10,699,018
Mean travel time to work (minutes)	19	19	23	20	25

Percent of Total

PLACE OF WORK:					
Worked in county of residence	82.6%	77.3%	85.7%	82.9%	72.6%
Worked outside county of residence	17.4%	22.7%	14.3%	17.1%	27.4%
TRAVEL TIME TO WORK:					
Less than 10 minutes	26.8%	40.4%	30.0%	28.9%	13.5%
10 to 14 minutes	15.6%	13.3%	14.9%	15.2%	13.9%
15 to 19 minutes	15.0%	6.6%	10.6%	13.1%	14.9%
20 to 24 minutes	9.5%	6.3%	5.7%	8.2%	14.1%
25 to 29 minutes	3.5%	2.4%	1.3%	2.9%	5.8%
30 to 34 minutes	7.6%	9.3%	8.5%	8.0%	12.8%
35 to 39 minutes	1.2%	1.1%	2.6%	1.5%	2.6%
40 to 44 minutes	2.1%	2.1%	1.6%	2.0%	3.4%
45 to 59 minutes	3.8%	4.2%	5.1%	4.2%	7.2%
60 or more minutes	5.2%	7.3%	11.4%	7.0%	7.7%

Source: Montana Quickfacts, US Census Bureau

Place of Work, 2010



Source: Montana Quickfacts, US Census Bureau

Small Business Continuing to Emerge as High Growth Area

Considering the population in this rural area, and the relative lack of larger employers, it is not surprising that small businesses continue to emerge as a major factor on contribution to the economy of the region. As the charts below indicate, where total employment increased between 1970 and 2009 by a meager 784, those jobs working for someone else lost 491 net jobs; however, the number of proprietors grew by 1,275, and continued to grow during the 2000-2009 period, even as other employment was dropping. Even those wages by earning grew, and income to proprietors was significantly lower, the number of small business continues to grow throughout the region.

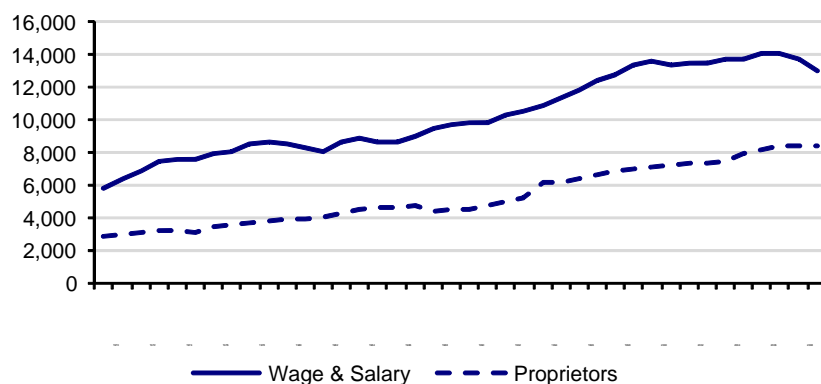
All employment data in the table below are reported by place of work, which includes full-time and part-time workers.

Components of Employment Change, 1970-2009

	1970	1980	1990	2000	2009	Change 2000-2009
Total Employment	8,608	12,333	14,398	20,700	21,484	784
Wage and salary jobs	5,803	8,473	9,861	13,571	13,080	-491
Number of proprietors	2,805	3,860	4,537	7,129	8,404	1,275
						% Change 2000-2009
Total Employment						3.8%
Wage and salary jobs	67.4%	68.7%	68.5%	65.6%	60.9%	-3.6%
Number of proprietors	32.6%	31.3%	31.5%	34.4%	39.1%	17.9%

Source: Montana Quickfacts, US Census Bureau

From 1970 to 2009, wage and salary employment (people who work for someone else) grew from 5,803 to 13,080, a 125% increase. From 1970 to 2009, proprietors (the self-employed) grew from 2,805 to 8,404, a 200% increase.



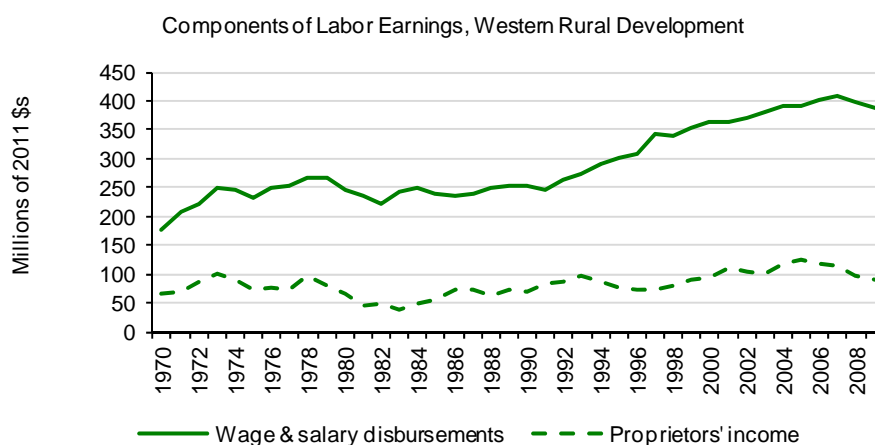
Source: Montana Quickfacts, US Census Bureau

Components of Labor Earnings Change, 1970-2009 (Thousands of 2011 \$s)

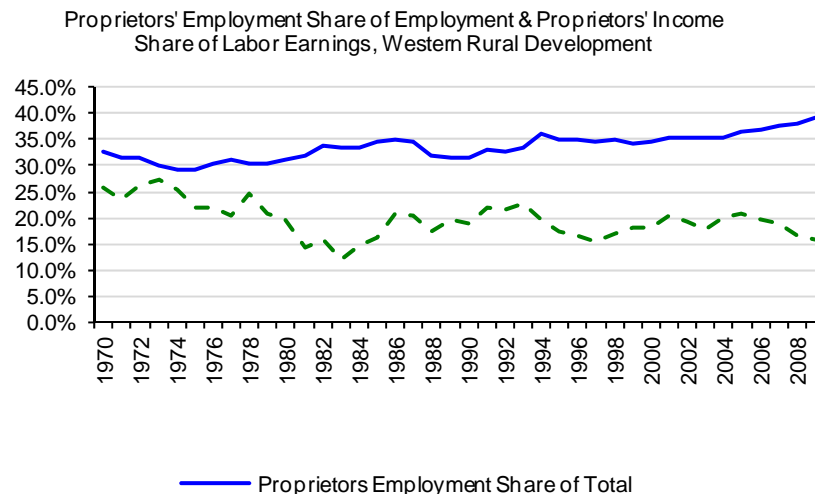
	1970	1980	1990	2000	2009	Change 2000-2009
Earnings by place of work	263,405	361,633	390,722	547,830	599,543	51,713
Wage & salary disbursements	175,708	245,421	252,998	362,738	389,607	26,869
Supplements to wages & salaries	20,958	48,990	66,711	92,181	120,318	28,138
Proprietors' income	66,740	67,222	71,013	92,911	89,618	-3,293
Percent of Total						% Change 2000-2009
Earnings by place of work						9.4%
Wage & salary disbursements	66.7%	67.9%	64.8%	66.2%	65.0%	7.4%
Supplements to wages & salaries	8.0%	13.5%	17.1%	16.8%	20.1%	30.5%
Proprietors' income	25.3%	18.6%	18.2%	17.0%	14.9%	-3.5%

Source: Montana Quickfacts, US Census Bureau

All income data in the table above are reported by place of work, which is different than earnings by place of residence shown on the following page of this report.



From 1970 to 2009, labor earnings from wage and salary employment grew from \$175.7 million to \$389.6 million (in real terms), a 122% increase. From 1970 to 2009, labor earnings from proprietors' employment grew from \$66.7 million to \$89.6 million (in real terms), a 34% increase. Tables sourced from Montana Quickfacts, US Census Bureau



In 1970, proprietors represented 33% of total employment. By 2009, proprietors represented 39% of total employment. In 1970, proprietors represented 26% of total labor earnings. By 2009, proprietors only represented 16% of total labor earnings, perhaps indicating the increased difficulty these small businesses have in competing during recessionary times.

Structural Change in the Local Economy

There is a real need to diversify the economic base of the region, due to its long-term dependency on natural resources as its primary economic driver. The Economic Profile System developed by Headwaters Economics (a non-profit research group located in Bozeman, MT, web page headwaterseconomics.org), has completed an economic profile of all counties in Montana. Under a heading of Specializations, the report uses the sectoral composition of the U.S. economy as a benchmark for economic diversity and compares the local sector breakout to that of the nation. Communities that are heavily reliant on only a few industries may be economically vulnerable to disruptions. Two statements in these reports are common to all three counties in the region:

- There is an over reliance on agriculture, forestry, fishing and hunting (ranging from 8.4%-11.7% compared to 1.5% nationally)
- There is an under reliance on professional, scientific and technical services (ranging from 1.5%-2.9% compared to 5.9% nationally)

Northwest Montana's Forest based production is in a critical decline that is directly related to the downturns in construction and housing components of the national economy. The industry historically experiences larger business cycle swings. The demand and price for finished products rises and falls with the rise and falls of the home starts. The other factor in the decline of the industry is the availability and ability to harvest raw materials. The federal and state governments, through continued environmental pressures, have drastically changed their process in removing timber.

The economic crisis comes on the heels of several years of timber market downturn. Current national policies that control the federal wood supply have had a significant negative effect on the timber industry in western Montana where federal land ownership makes up most of the 16 million acres of federal land in the State. Without a steady, reliable source of timber to feed mills many companies, especially small companies have struggled to continue operations and many have failed. These conditions have lead to temporary closures and layoff for some mills. Imports of wood products, particularly from Canada have also played a part in the effect on the forest products industry in western Montana. Most Canadian forestlands are provincially held Crown lands (77%), each with an annual allowable cut. This annual production is not, generally, interrupted by injunctions and lawsuits as are timber sales on public land in the US. This policy difference and our timber trade agreements with Canada have helped provide a steadier flow of wood to the

mills, but it has negatively impacted US-based logging companies because their skills are not needed. As further indication of this, the following is a list of mill closings within just western Montana region since 1990:

- 1991 Flathead Lumber, Polson
- 1991 WTD Forest Industries, Columbia Falls
- 1993 Champion International, Libby
- 1994 Crown Pacific, Superior
- 1996 Crown Pacific, Thompson Falls
- 1996 Louisiana Pacific, Libby
- 1997 Border Lumber, Rexford
- 2000 American Timber, Olney
- 2002 Stimson Lumber Co., Libby
- 2003 Trout Creek Lumber Co., Thompson Falls
- 2005 Owens & Hurst Lumber Co., Eureka
- 2009 Plum Creek Timber, Fortine
- 2008 & 2009 – Lay-offs at Plum Creek Timber in Pablo and Columbia Falls
- 2010 – Closing of the Plum Creek Mill in Pablo
- 2010 –Stone Container, near Missoula (market source for many timber operations throughout the region)

This shift in this historically major industry provides insight into the most dramatic need to both diversify the economic base and shift resources to those areas most likely to create the jobs of the future. Partners throughout the region agree that, while it is critical that this industry not be abandoned; it is evident that greater stability in this sector will most likely come from cultivating jobs in those manufacturing sectors related to emerging “green” industries; applying new production technologies in the development and manufacture of diverse products; and developing the professional skills that support emerging technologies – while increasing our collective capacity to compete in global markets.

Struggles on Main Street

Despite significant growth in Western Montana, our rural communities continue to struggle, with Main Street businesses often struggling to stay open throughout the winter. Many rely heavily on the abundant tourist season to make enough money to keep them going the rest of the year. Our collectively aging populations, many of whom become “snow-birds” come winter, further add to the already existing struggles. A drive through the region reveals communities with many deteriorating buildings; high vacancy rates, accompanied by high turn-over, as businesses start and fail at a fairly rapid rate. These small communities struggle with resources to maintain infrastructure, especially related to streets and roads, curbs and gutters, and sidewalks – all of which are critical to both drawing businesses and consumers to any down-town area. The community of Polson, in Lake County, located on south shore Flathead Lake, has the most potential to “thrive” and has initiated a Main Street improvement program to help counter-act the development of a “Super-Walmart” scheduled to begin in 2012. The community also has an active Chamber of Commerce and the Greater Polson Community Foundation, which is currently engaged in a two-year “Heart & Soul” project which was funded through an Orton Family Foundation grant. Yet, several restaurants and businesses that existed last fall have since vacated; and again, there are vacant storefronts along Main Street.

In Summary:

The Bureau of Economic Analysis continues to project ongoing modest economic growth at a rate similar to that projected for the state of Montana. The region, overall, has “weathered” the recession better than most, as has the State

of Montana as a whole. Population, employment, and real income are all projected to expand over the next 5-years. Although leveling off a bit over the past 2 years, Western Montana has been growing faster than the state as a whole for several decades. While eastern Montana is now experiencing the challenges of growth brought on by a boom in the oil industry, it seems quite likely that Western Montana will continue to attract both residents and economic activity at a significant rate. The good news is that the types of “clean” industries that are emerging here, and to be encouraged, are generally compatible with the quality of life most residents aspire to. The following issues are reflected both in our local and regional economies; and economic development strategies that address one or more of these has the best potential to both garner support from all invested players in the region and to result maximizing benefit to our residents through job creation and an increased standard of living.

- Job losses that were incurred through the down-turn in the timber industry, and those lost by the failure of many small businesses that were secondarily dependent on that industry, have not been replaced at a rate equal to jobs lost in that area.
- As new industries emerge, there is a need to assure that those who have lost jobs as a result in a declining industry have opportunities to be cross-trained and given opportunity to become skilled in other trades.
- There needs to be a systematic approach to both assessing industry needs relative to its workforce and to engaging high school and higher-education facilities in establishing curriculum through which the workforce can attain those skills.
- Too often, workers in traditional industries feel “disenfranchised” and are unable to successfully compete for jobs in these emerging industries. This can be especially true among Tribal peoples and lower income, less educated residents of the community. Every effort must be made to assure both educational and training opportunities and points of entry for these workers as we build a skilled workforce for our employers.
- There continues to be a shortage of conventional debt “gap” financing for non-traditional businesses such as manufacturers, processors, technology companies and value-added enterprises, which tend to be capital intensive. These industries have been slow to replace past dominant basic industries.
- Conventional lenders are highly conservative and therefore unable to meet all the need for broader based financing that is vital if the region is to diversify and stabilize its economy. The lack of risk capital has in many cases crippled the firms most vulnerable in the start-up phase, initial expansion phase, or in a buy-out situation. The lack of higher-risk financing has deprived firms of critical working capital, making it difficult to obtain needed equipment, inventory and receivable financing for the purpose of growth. Conventional lenders are looking for gap financing from lenders such as LCCDC and its local community development partners to provide those funds on behalf of their clients.
- The rural nature of the area severely restricts the ability of new and expanding businesses to attract equity or investment capital at levels sufficient to leverage lending to the minimum requirements of local lenders.
- Every effort must be made to help Main Street survive, as the lifeblood of our communities.
- Although Western Montana has seen an increase in population over the last decade, the increase is not favorable to long-term economic development. The decline in manufacturing, timber agriculture and mining industry is being replaced by a service industry that has traditionally had lower paying jobs and has caused many workers to leave the region in search of employment. Their exodus has been replaced by an inflow of retirees and/or people who are seeking real estate investment and a more favorable life style. This is a further reflection of the earnings per job data cited in the previous section.
- Major changes at play in the region will rely heavily on our collective ability to communicate and collaborate in order to recognize where there are conflicting goals and objectives that will impact how development occurs, and to maximize opportunities to mitigate conflict, and to assure that, on the whole, the positive results of development that does occur benefits all parties and residents across the region.

Commerce and Industry Strategies – Western Rural Development Region

The following lists strategic priorities to be considered over the next five years related to commerce and industry in the Western Rural Development Region.

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Support the development of broadband and other infrastructure throughout the region	Assure developing enterprises full access to available technology at competitive rates that will enable them to compete in global markets	Creates access to reasonably priced broadband throughout the region and increase opportunity to maintain competitiveness
Support the development of industrial/commercial “parks” throughout the region that are located in areas in or adjacent to needed services, including sewer/water; adequate power; highways; rail or air service and/or other services, and assures access to raw materials; reasonable shipping options for finished goods; and operating costs that contribute to their long-term competitiveness	Develop an environmentally responsible approach to industrial and commercial development that builds existing businesses and attracts like-minded emerging businesses.	Create industrial and commercial space that invites economic activity to occur while minimizing adverse effects on the environment, water-sheds, view-sheds and transportation corridors; while maximizing services to the business activities therein
Increase capacity of local and regional community-based revolving loan funds; expand partnerships with banks and other potential financial partners to leverage available funds and scarce resources on behalf of businesses throughout the region	Assure current and future access to adequate capital for both emerging and existing businesses	Encourages entrepreneurship and the development (and success) of small and micro-businesses that are the heart of economic prosperity in the region
Develop and implement an effective communication strategy to the business community in cooperation with the Tribes relative to any impacts (real or perceived) resulting from either the impending water rights compact agreement or the Tribes’ acquisition of Kerr Dam.	Assure that economic developers, organizations, existing, new and/or relocating businesses and others are working from accurate information, not rumors.	This addresses an area of critical communication for all parties and the need to clearly understand the potential practical and economic impacts of these decisions so as to both dispel rumors and to assure emerging businesses fully understand any impacts that may result from these decisions that affect their businesses and abilities to operate.

Increase outreach by local development agencies and their partners to existing businesses throughout the region through the Business Expansion and Recruitment (BEAR) interview process	Determine business needs within the WRDR and develop programs that are responsive to those needs	Assures that local development agencies are developing programs that are responsive to expressed business needs in such areas as: business training; workforce development; finance and access to capital; relocation; access to markets; connecting with other resources such as Montana Manufacturing Extension Program; UIM Export Marketing program and others
Build the capacity of the CRDC to continue to provide training programs for small and emerging businesses throughout the region in such areas as entrepreneurship, business planning and development; management; marketing; accounting and finance; government contracting; disadvantaged business enterprise development; procurement.	Maintain business networks, funding, and programs that enable the CRDC to assist commerce and industry within the WRDR Create a Rapid Response Team and Visitation Program to professionally manage incoming business prospects	Local, non-profit development organizations have the highest potential for both assessing need and developing programs that respond to those needs, without the often-times onerous requirements imposed in education systems or government bureaucracies. Open and ready to such programs, by all constituents, will help create the vibrant business community that will have the most long-term beneficial effect on the residents of the region
Develop programs that support our local communities and Main Street businesses	Assure Main Street business longevity and their ability to provide local-option services and goods, which now require people to travel to urban centers in Missoula or Kalispell to obtain	Redevelopment of our Main Streets and the return of a sense of vibrancy and community

LAKE COUNTY

Commerce and Industry Overview

Lake County, occupying an area of 1,653.8 square miles is ranked 9th in the state with a population in 2009 of 28,605. In 2009, the county had a per capita personal income of \$27,437 or 79% of the state average of \$34,828 and 69% of the national average, \$39,635. The 2000 census calculated median income for the county at \$28,740 (87% of state median of \$33,024) with 27.7% of all households making below 80% of median and 136% of the national poverty income level

of \$21,200. The poverty rate at that time for all individuals in the county was 18.7%. The annual average PCPI grew at a rate of 4.3% from 1999 – 2009, versus the state average of 4.7% and the national average of 3.4%, causing the county's overall ranking in the state to decline from 41st in the state in 1999 to 49th in the state in 2009. Total personal income grew during the period by 5.3%, versus the state average of 5.5% and national average of 4.4%, and accounted for 2.3% of the state's total PI, resulting in no change in its ranking in the state as 9th. Personal income from transfer receipts increased by 7% as a percent of total personal come, while there was a corresponding drop in net earnings by place of residence. The recent census calculated median income for the county at \$37,274 (85% of state median of \$43,872 and 71.8% of federal median of \$51,914). 21.9 % of its citizens live below the poverty level, versus the state level of 15% and federal level of 13.8%.

Employers in Lake County

Industrial and manufacturing activity, while increasing in Lake County, has traditionally struggled as a major industry. Light manufacturing plants provide a steadily increasing number of jobs, especially with the emergence of a new technology company in Ronan (CORE Motion) that has reenergized the sector with the development of a revolutionary gasless motor concept that is applicable to a wide variety of products from hedge trimmers to wind mills and beyond. Their first spin-off (Core Outdoor Power Equipment, or OPE) is currently manufacturing and shipping a line of outdoor lawn and garden equipment from leased space in Polson. They are currently employing 42 workers and expect to double that over the next year. Pablo is home to S& K Electronics, a defense contractor manufacturing electronic products. A similar Polson manufacturer DRS, Inc., was closed by its parent company (an international company located in Italy in 2010), resulting in a loss of 35 jobs. S & K Technologies, located in St. Ignatius, is the parent organization for seven enterprises involved in things as diverse as defense and logistics to wild land restoration. Both S&K Electronics and S&K Technologies are Tribally-owned businesses. It is believed that there is high potential for all these companies, especially those such as CORE that are on the cutting edge and deploying the advanced technologies of the future. The jobs that will be created will demand higher skills and a level of professionalism that will command good wages. Based on 2nd quarter of 2011, the following lists the top 15 employers in Lake County, by class-size.

Business Name	Size Class #	
Ace Hardware – Ronan	4	Size Class 3 = 10-19 employees;
Ashley Martin Manufacturing	5	Size Class 4 = 20-49 employees;
Community Bank	5	Size Class 5 = 50-99 employees;
Drs Technical Svc.	5	Size Class 6 = 100-249 employees;
Home Caregivers, Inc.	5	Size Class 7 = 250-499 employees;
Jore Corporation	6	Size Class 8 = 500-999 employees;
McDonald's of Polson and Ronan	5	Size Class 9 = 1,000 and over employees
Mission Mountain Enterprises	6	
S & K Electronics	5	
Safeway	5	

St. Joseph Hospital	6
St. Luke Community Hospital	7
Super 1 Foods	6
Wal-Mart	6

<http://www.ourfactsyourfuture.org/cgi/databrowsing/?PAGEID=4&SUBID=154#Lake>

The southern portion of the county is served by the communities of St. Ignatius, Arlee and Charlo. The central part of the county is served by Ronan and Pablo and has emerged as the center for agriculturally oriented businesses and supplies. With its more centralized location and proximity to Flathead Lake, Polson serves a diverse economic base.

The dramatic increase in summer population in the Polson area provides a short term increase in the retail trade sector that is shared by the entire county. This becomes a liability for many businesses that are then unable to sustain enough business in the winter months to remain viable. Further strain has been placed on the locally-owned retail businesses, especially those in the downtown area, with the opening of a Walmart store in Polson in 1998 on the southern outskirts of town. This has spurred business growth and movement out to the highway and taken focus away from the traditional downtown shopping area. Throughout Lake County, many family-owned "cottage" industries (including furniture manufacturers, canoe/boat builders, ironworkers, artisans and weavers) share the entire landscape with the usual commercial ventures of grocery stores, gas stations, retailers and restaurants.

Like many communities in rural areas, a large percentage of the spendable income from Lake County residents is being attracted to the larger regional shopping centers in Missoula and Kalispell. Downtowns throughout Lake County are struggling to recognize their uniqueness and to revitalize and rehabilitate stores and streets in order to attract new business and retain dollars currently being exported to the larger centers. Lake County Community Development Corp., the existing Regional Development Corporation, was originally established in 1995 and has worked to develop programs that respond to the needs to existing and emerging businesses in the County since that time. As a non-profit organization, it works independently of any government agency, but works collaboratively with any representatives of those agencies, be they local, County, Tribal, State or Federal, to implement programs that are reflective of the needs of both the business community and the residents of the area.

As stated previously, Lake County and the boundaries of the Flathead Indian Reservation are nearly synonymous. Its outreach and services, therefore, are to all businesses and all residents, without regard to whether they are Tribally-owned or not; or Indian or not; or members of any other minority group. However, because many Indians have historically been less successful as either business owners, or have lost out on good employment opportunities that may be afforded by emerging businesses in the County, LCCDC maintains a thriving *Disadvantaged Business Program* and business training center that works diligently to maximize services to the Indian community. Approximately 20% of its revolving loan fund has served Indian or Tribally-owned businesses.

It is, therefore, critical that the economic development objectives of the County do not unnecessarily conflict with those of either the Tribe or its members. Communication on these vital matters is therefore critical to assuring that sound economic development occurs; a supporting environment for economic development occurs; and that all members of our society have access to both the jobs that are created and the opportunities of entrepreneurship.

Commerce and Industry Strategies – Lake County

The following lists strategic priorities to be considered related to commerce and industry in Lake County.

ACTION	OBJECTIVE	POTENTIAL BENEFITS/ IMPACTS
Support the growth and development of emerging businesses such as CORE Motion	To create an environment that will foster businesses dedicated to hiring locally; environmentally responsible; and offer well-paying incomes	Businesses such as Core Motion are creating products that support a clean environment, create well-paying jobs, and inspire outside investment into the WRDR
Support the development of small businesses that may be supplier to larger emerging businesses; or become licensees and manufacturing entities on their own	To build a local business economy that will become less dependent on outside products and services	Increased employment opportunities for local job seekers; more dollars staying and flowing throughout the county
Complete a feasibility study on potential industrial/ or commercial development sites adjacent to appropriate infrastructure	Offer space to small and medium sized manufacturers that is adjacent to cost-effective goods and services	The industrial and commercial development site will provide dedicated space and incentives that will assist the county in becoming more “business friendly”
Provide support for small and emerging business through technical assistance and access to capital	Increase sustainable growth amongst small and emerging businesses	Offers local businesses affordable and often free opportunities to help them succeed

FLATHEAD INDIAN RESERVATION

Commerce and Industry Overview

Statistics provided for the Reservation as a whole are complicated by the fact that the Reservation overlays portions of Lake, Sanders and Missoula Counties and includes the non-Tribal populations living in those counties as well as the Tribal populations. That said, according to the data provided on the Flathead Reservation by the American Community Survey’s 3-year estimates, of a total reservation population of 28,044, only 30.7% respond to be of American Indian or Alaska Native descent alone, or in combination with one or more other races (predominantly white). The same survey claimed an unemployment rate of 8%; however unemployment among Tribal members on the reservation can reach 41% at certain times of the year, according to CSKT’s estimates. The median income of households in Flathead Reservation, MT was \$36,246. Seventy-five percent of the households received earnings and 19 percent received retirement income other than Social Security. Thirty-four percent of the households received Social Security. The average income from Social Security was \$13,860. These income sources are not mutually exclusive; that is, some households received income from more than one source. For the period, 23.6% of people on the Reservation were in poverty.

The Tribes have elected to charter Tribal corporations for most of its business enterprises. Currently the Tribes operate 18 Tribally-owned businesses, with 12 of them being separately chartered corporate enterprises, two unincorporated programs managed by S&K Holding Company, one non-profit, and three programs run within departments of the government. Also included is Mission Valley Power which is managed by the Tribes.

Per the Tribe's CEDS document, the point is made that it is important to distinguish between the economic development of the Reservation and Tribal economic development. The Flathead Reservation is unusual in its economic context. Unlike many Indian Reservations, which are physically isolated from the dominant society and economy, the Flathead reservation sits, in many ways, within the "mainstream" of the Montana economy. It is located in the middle of a string of Western Montana counties, which lead the state in their ongoing economic growth. The Reservation is both surrounded by and immersed in these largely non-Indian economies. In that sense, the Reservation is undergoing considerable "economic development", but that development often bears little fruit for the Tribes or its members unless specific policies are adopted.

The Tribe has begun to develop specific policies for this to change and for more of the benefit to accrue to the Tribes and its members. These policies seek to guide and/or harness that ongoing economic change in ways that serve Tribal objectives or, more likely, find strategic points at which the Tribes and their members can enter that portion of the economy in ways which assure them of significant benefits at minimum sacrifice to other Tribal objectives. Unless economic development policy focuses on this Tribal impact, the ongoing economic development of the Reservation, to which Tribal policy may contribute, not only may not enhance the well-being of Tribal members, it may actually significantly undermine benefits that could accrue to Tribal members and other important Tribal objectives such as cultural preservation, environmental quality, and Tribal sovereignty.

Commerce and Industry Strategies – Flathead Indian Reservation

For a summary of Commerce and Industry Strategies for the Flathead Indian Reservation, please refer to the Confederated Salish and Kootenai Tribes Comprehensive Resources Plan Volume I (1996); Retrieved from <http://www.cskt.org/tld/docs/compplanvolume1.pdf>. Additional commentary is also available in the Confederated Salish and Kootenai Tribes Comprehensive Economic Development Strategy; prepared by S & K Holding Company in 2010. The Implementation Plan reflecting projects and objectives from the above referenced CSKT CEDS is included in Appendix B of this document.

MINERAL COUNTY

Commerce and Industry Overview

Mineral County, occupying an area of 1,223.4 square miles is ranked 38th in the state with a population in 2009 of 3,833, and estimated in 2011 at 4,223. In 2009, the county had a per capita personal income of \$28,596, or 82% of the state average of \$34,828 and 72% of the national average, \$39,635. The annual average PCPI grew at a rate of 5.9% from 1999 – 2009, versus the state average of 4.7% and the national average of 3.4%, allowing the county's overall ranking in the state raise to 43rd in 2009 versus being 52nd in 1999. Total personal income grew during the period by 5.8%, over the state average of 5.5% and national average of 4.4%, accounting for .3% of the state's total PI and ranking it up from 40th in 1999 to 39th in 2009. Personal income from transfer receipts increased by 13% as a percent of total personal come, while there was a corresponding drop in net earnings by place of residence and from dividends, interest and rent. The recent census calculated median income for the county at \$37,256 (87% of state median of \$43,872). However, 16.9% of its citizens live below the poverty level, versus the state level of 15.0% and federal level of 13.8%.

Commercial Development Pattern

Commercial development within the Mineral County planning area has at least some presence in each of the communities along the interstate, but is primarily concentrated in the towns of Alberton, Superior, and the St. Regis vicinity. Commercial uses in the smaller communities of Cyr, Tarkio, DeBorgia, Haugan, and Saltese are generally smaller establishments that cater to the convenience needs of the community or recreational opportunities. Restaurants, bars, service stations and small specialty businesses of rafting and fishing guide services and repair shops generally represent the extent of commercial development in the rural communities of the county; commercial outfitters are located or operate in more remote locations of Mineral County. Commercial businesses offering services of meat processing, septic system maintenance and taxidermy operate east of the Mineral County airport.

To some degree, the business and retail services offered in Alberton and Superior must compete favorably with neighboring communities. Commercial development in the towns of Mineral County should remain focused on providing improvements in basic services that are already such an important part of the local economy. Commercial services such as restaurants, motels, clothing, sporting goods, automotive service and repair, and specialty shops, as well as professional service providers, will most likely see a slight increase in demand during the next 10 years. The trend in Mineral County for dependence on large scale retail services available in the neighboring regional cities of Missoula and Spokane will continue to have a significant effect on commercial expansion within the county.

Industrial Use

Industrial uses are related to timber and mineral extraction processing activities primarily located along the railroad and main highway transportation route through Mineral County. The Montana Rail Link corridor in the Alberton and Superior area provides ample space for the location of light industrial uses including timber processing, shipping facilities, and a variety of other uses. See the existing land use maps for the location of industrial activity in the developed areas. The Trout Creek Industrial Park occupies the former Diamond Match Mill site. Two enterprises, Eureka Pellet Mills and Mountain West Products bark plant, use portions of the former lumber mill building. Tricon Timber Post and Pole occupy new buildings and utilize small diameter wood material for the production of posts and poles. St. Regis' industrial businesses are Tricon Timber Mill, Big Sky Forest Products, and St. Regis Custom Log Homes and H & H Pole.

Employment in Mineral County²⁴

The employment market is reflecting the regional trend where service jobs are outpacing the manufacturing or wood products employment. Without job opportunities from new businesses, the college bound students will attend school and very likely not return to Mineral County for their livelihood. Professional employment presents limited job opportunities. Doctors, scientists and technically trained individuals may leave for better job opportunities most likely related to wages.

The economy of Mineral County is dependent on the service industries and retail trade as the anchor for income. Important industries in Mineral County include retail trade, accommodation, food services and manufacturing. The concentration of jobs in the accommodation and food service industry is 2.28 times the national average. The basic industries of local, state and federal government, as well as construction employment have remained relatively stable overall since 1970 and there has been a downward trend in manufacturing (including forest products) and mining. The service and professional industry has increased steadily as shown in the following analysis. The total employment in the county in 2000 increased compared to the 1970 level with the highest employment occurring in 2000. Since 2000, the total county employment stayed at a constant level at between 2000 and 2100 employees. The largest gains occurred in

²⁴ Mineral County Growth Policy

manufacturing and health care, while retail trade and forestry declined. Wage and salary employment has declined but still represents over 62% of the total while 28% are in the proprietor classification. Job growth has been slow in the county and the unemployment rate is consistently higher than the state and the nation.

Based on 2nd quarter of 2011, the following lists the top 15 employers in Mineral County, by class-size. Top employer list does not include government or tribal ownership. The following is the Class Breakdown, per the Montana Department of Labor:

Business Name	Size Class #	
Durango's Restaurant	3	Size Class 3 = 10-19 employees;
Jasper's Restaurant	4	Size Class 4 = 20-49 employees;
Lincoln's Silver Dollar Bar	5	Size Class 5 = 50-99 employees;
Mineral Community Hospital	5	Size Class 6 = 100-249 employees;
Mountain West Bark Products	4	Size Class 7 = 250-499 employees;
St. Regis Travel Center	4	Size Class 8 = 500-999 employees;
Town Pump	4	Size Class 9 = 1,000 and over employees
Tricon Timber	6	
Western Reclamation	4	
Westgate True Value Hardware and Castle's Market	4	

<http://www.ourfactsyourfuture.org/cgi/databrowsing/?PAGEID=4&SUBID=154#mineral>

Commerce and Industry Strategies – Mineral County

The following lists strategic priorities to be considered over the next five years related to commerce and industry in Mineral County.

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Implement of the feasibility study completed in 2011 to develop an Industrial Park at the Superior Airport	Identify core businesses/ anchor clients to expand or relocated to Industrial Park; Seek funding for development based on job creation	Provides Mineral County with a tool for both expanding industrial businesses and for recruiting new businesses to the County
Develop access to 3-phase power both at the airport and to businesses in the Superior area	Provides critical infrastructure to existing businesses that want to expand; and a tool for recruiting new businesses	Having this critical infrastructure allows several existing businesses to expand in new directions, providing for new manufacturing sector jobs

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Supporting on-going development of new technologies related to processing of bio-mass and conversion to bio-char at TRICON	Support continuing research and development activities; development of new markets	Assists traditional, resource-based industry in meeting the challenges of today's world and transitioning to meet future needs
Assuring access to capital through community-based loan funds and partnerships with local banks and other loan funds in the region	Assist local business's ability to grow; position county to better attract emerging businesses	Increasing access to capital can help small businesses leverage equity and take advantage of growth opportunities; community-based loan funds helps keep dollars flowing in the local economy
Work with the CRDC's business training programs to maximize access to a variety of business development classes by the businesses of Mineral County	Address the needs of local businesses through education and technical assistance	Often free technical assistance is provided to local small businesses, which can help the business make smart decisions, sound projections, and improve operations
Encourage and support expansion of additional affordable broadband services throughout the County	Provide wide coverage of broadband for commercial activities; encourage development of web-based businesses and marketing; provides support for a "tech-center" to provide training and support for users of these systems.	Will lead to a growth in both "cottage" and home-based businesses, as well as the ability to recruit technology-based businesses that require this infrastructure in order to operate in global environments

SANDERS COUNTY

Commerce and Industry Overview

This County, occupying an area of 2,790.2 square miles is ranked 18th in the state with a population in 2009 of 11,096, growing to 11,413 by 2010. In 2009, the county had a per capita personal income (PCPI) of \$26,063, or 75% of the state average of \$34,828 and 66% of the national average, \$39,635. Although the annual average PCPI grew at a rate of 4.8% from 1999 – 2009, versus the state average of 4.7% and the national average of 3.4%, the county's overall ranking dropped from 50th in 1999 to 52nd in 2009. Total personal income, however, grew during the period by 5.8%, over the state average of 5.5% and national average of 4.4%, accounting for .9% of the state's total PI and ranking it up from 27th in 1999 to 22nd in 2009. Personal income from transfer receipts increased by 10% as a percent of total personal come, while there was a corresponding drop in net earnings by place of residence and from dividends, interest and rent. The 2010 census calculates median income for the county at \$30,622 or 69.8% of state median of \$43,872, a drop from the 81% shown in 2000, and 59% of the national MHI. Persons below poverty level are 21.8% versus the state level of 15.0% and federal level of 13.8%.

Business development and retention will continue to be a strategic priority for Sanders County. Especially important, given the restrictions associated with a natural resource-based economy, will be the creation or attraction of businesses

that have not been a mainstay of Sanders County business in the past. Technology-based businesses or unique manufacturing businesses are examples. Recent focus on tourism via the Tour 200 program has helped to promote more awareness of Sanders County as a tourist destination. Our membership in Glacier Country has also helped to promote awareness of Sanders County, but much of the work on tourism has been undertaken by and dependent upon busy volunteers. The scope of what can be done is limited by this fact.

The Sanders County Community Development Corporation (SCCDC) offers its support services to businesses within the county and has had some success as demonstrated by the successful grants it has written and sponsored, seminars it has offered, loans it has granted and small businesses it has assisted. However, funding for this organization is extremely limited and traditional sources of funding, such as interest from business loans has been dramatically reduced due to significant loan losses. Other funding sources must be identified and additional funding must be obtained if the SCCDC is to continue to be viable as an economic development organization. Funding is needed for the expansion of staff; the SCCDC employs only one part-time employee today.

The revolving loan fund, used to fund business start-up and expansion within the county, has been severely depleted due to loan losses and needs to be replenished. SCCDC must also partner with other regional community development loan funds to ensure that Sanders County businesses have access to such funds and also to spread the risk inherent in making business loans.

Significant numbers of Sanders County residents have purchased goods and services outside of the county. Some of these purchases might have been made within the county. It's important to understand the reasons behind these purchase decisions in order to develop a marketing plan that encourages Sanders County residents to purchase goods and services within the county. The use of a county-wide survey will be investigated as a vehicle to gather data related to this issue.

Response to business seminars in recent years has been encouraging. A list of pertinent business topics will be developed, prioritized and workshops will be scheduled to assist existing or potential business owners in increasing their skills as managers, owners, marketers and entrepreneurs.

Some of the residents of Sanders County, especially retirees or semi-retirees, possess business skills that could be applied to train business owners, to assist in implementing business initiatives within the county or to serve in some other useful way. An effort will be undertaken to identify those willing to serve, to quantify their skills and to solicit their assistance on business development efforts within the county.

Some businesses have moved into Sanders County from other areas. Much of this movement has been outside of any assistance from community development as business owners weren't aware of the existence of this organization. An effort must be undertaken to increase the awareness of Sanders County and SCCDC as a resource and to establish the county as a business-friendly location. Coincident with this effort should be the establishment of a process and materials necessary to respond to businesses inquiring about location to Sanders County.

An up-to-date inventory of unused industrial sites will be developed with information about site benefits and deficits as preliminary preparation for possible development in the future.

Employment in Sanders County

Based on 2nd quarter of 2011, the following lists the top 15 employers in Sanders County, by class-size. Top employer list does not include government or tribal ownership. The following is the Class Breakdown, per the Montana Department of Labor:

Business Name	Size Class #
Avista Corporation	4
Clark Fork Valley Hospital	6
Evergreen Hot Springs Health and Rehabilitation Center	4
First Security Bank	4
Little Bitterroot Services	4
Monarch School	5
Quinn's Hot Springs Resort	5
Sanders County Harvest Foods	4
Thompson River Lumber	5
Town Pump	4

Size Class 3 = 10-19 employees;
Size Class 4 = 20-49 employees;
Size Class 5 = 50-99 employees;
Size Class 6 = 100-249 employees;
Size Class 7 = 250-499 employees;
Size Class 8 = 500-999 employees;
Size Class 9 = 1,000 and over employees

<http://www.ourfactsyourfuture.org/cgi/databrowsing/?PAGEID=4&SUBID=154#sanders>

Commerce and Industry Strategies – Sanders County

The following lists strategic priorities to be considered related to commerce and industry in Sanders County.

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Develop a plan to expand the services offered to the business community by the Sanders County Community Dev. Corporation	Increase tools and skill sets amongst business community in Sanders County	Services are currently limited to those that can be provided by a single part-time employee and are often interrupt-driven, not based on strategic priority
Examine the value of implementing a Sanders County regional marketing plan, such as "Sanders Sells", to expose products to other markets	Expand opportunities for Sanders County businesses to sell their products	The visibility of products manufactured, grown, raised or otherwise originated within Sanders County could be enhanced
Identify county business educational requirements, prioritize and schedule seminars and workshops to improve business skills	Maintain lifelong and career-long training and education that fits the needs of Sanders County	Ongoing training will build business skills and may improve the success rate for county businesses

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Develop and implement a plan to establish a county technology initiative that includes a statement of scope, strategy, goals, financing and desired end result	Incorporate technology as part of the business and industry fabric of Sanders County	Technology can help a rural area become more competitive in attracting new businesses and in mentoring and training existing businesses
Identify sources of funds to replenish SCCDC's revolving loan fund and take steps to ensure that SCCDC's loan policies are consistent with business conditions	Increase business capital and financing flowing throughout the county and region	The SCCDC revolving loan fund may be a source of funding for existing and emerging county businesses, but must be prudently managed
Identify and partner with other regional community lenders to provide access to funding for county businesses	Increase business capital and financing flowing throughout the county and region	Partnering with other lenders expands access to funding that may not be available through local banking institutions or SCCDC
Identify business sectors that complement the natural and human resources available and develop a plan to promote business development in these sectors	Identify best practices in Sanders County that leads to smart development of local business sectors and resources	This approach is more likely to result in successful business development and it promotes the highest and best use of local resources
Create a database of local residents that possess business skills and are willing to contribute to county business projects	Gain enhanced understanding of the county's strengths in human capital	There are county residents that possess business skills that could be utilized to implement business initiatives or training in an environment of limited resources
Identify a process to respond to businesses inquiring about relocation to Sanders County	Position Sanders County to become more business friendly and business ready	Responding to such inquiries can require significant time and having a process should ensure that time is well utilized
Develop an inventory of county industrial sites with information about benefits and deficits	Position Sanders County become more business friendly and business ready	Having such a database provides for a quick response to business inquiries

FOOD AND AGRICULTURE INDUSTRIES: WESTERN RURAL DEVELOPMENT REGION

WESTERN RURAL DEVELOPMENT REGION

Food and Agriculture Industries Overview

Commercial food production and related agricultural industries in the WRDR began in the late 1800's. With the combination of good growing conditions, productive range lands, and fertile valley bottom soils around Flathead Lake as well as along the lower Flathead, Jocko and Clark Fork rivers and the early development of irrigation and rail services agriculture in the form of small diversified farms and medium to large livestock operations quickly became a major component of the region's economy. Until the 1950's many of the crops produced were processed and sold regionally in addition to exporting to other regions by rail. The next five decades, however, saw a decline in this economic sector as competition from large, specialized farm and ranch operations outside the region captured most markets and processing facilities were consolidated in large urban centers. By 2000 most of the remaining family farms and ranches were operating at a net loss and dependent on other sources of income for a livelihood. Only in the past two decades have there been signs of resurgence in the region's food and agricultural industries due to increasing demand for local, fresh and organic foods and efforts at the state and local level to revitalize the agricultural sector.

WRDR Farm and Ranch Demographics

The USDA National Agricultural Statistics Service's 2007 Census of Agriculture provides the most recent comprehensive data on farm and ranch conditions and trends by state and county. That information is reflected in the following set of tables. With the exception of fruit production the region's agricultural economy and acreage is relatively a small percentage of the state of Montana. Lake County leads the WRDR with the highest agricultural acreage and production. More recent data is now becoming available for the WRDR that indicates favorable trends and more growth in the agricultural sector.

Agricultural Sector Summary - 2007

	Montana	Lake	Sanders	Mineral
Number of Farms	29,524	1,280	508	99
Land in Farms- Acres	61,388,462	637,306	341,913	22,654
Ave. Farm Size	2,079	498	1,770	229
Market value of product sold- average per farm	\$94,942	\$40,337	\$25,579	\$8,714

	Montana	Lake	Sanders	Mineral
Farms by Value of Sales				
Less than \$2,500	11,977	441	255	66
\$2,500- \$4,999	1,784	123	65	14
\$5,000- \$9,999	1,934	148	47	3
\$10,000-\$49,999	4,984	359	90	10
\$50,000-\$99,999	2,464	114	20	4
\$100,000 or more	6,380	94	31	2
Government Payments (\$1000)	\$221,977	\$698	\$183	\$33
Principle Operator by primary operation				
Farming	14,957	565	202	37
Other	14,567	715	306	62
Hired Farm Labor- Payroll 2007 (\$1000)	164,119	4,236	2,178	7

Source: 2007 Census of Agriculture- County and State Data- USDA National Agricultural Statistics Service

Production of Agricultural Commodities Summary – 2007

Cattle are the leading agricultural commodity in the WRDR. Lake County leads the region in grain production with Sanders and Mineral County producing minimal grains.

	Montana	Lake	Sanders	Mineral
Cattle and Calf inventory	2,589,679	40,923	14,643	808
Sheep and Lamb inventory	272,012	1,423	177	-
Wheat- for grain- bushels	147,533,888	534,383	20,230	-
Barley- for grain- bushels	29,670,161	145,072	-	-

Source: 2007 Census of Agriculture- County and State Data- USDA National Agricultural Statistics Service

Comparison of Vegetables and Fruit Harvested for Commercial Sale and Land in Commercial Orchards - 2002-2007

Growth in commercial vegetable and fruit operations is evident throughout the WRDR though commercial orchards declined slightly in Lake County over the five year period.

Vegetable/Fruit Sales	2002		2007	
	Farms	Acres	Farms	Acres
Montana	150	699	313	11,899
Lake	4	5	37	2403
Sanders	8	29	13	31
Mineral	-	-	-	-
Land in Orchards				
Montana	386	1740	389	1491
Lake	230	1232	227	1046
Sanders	7	8	13	21
Mineral	-	-	-	-

Comparison of Value of Agricultural Products Sold Directly to Individuals for Human Source:

	2002		2007	
	Farms	\$1000	Farms	\$1000
Montana	1164	4523	1287	6321
Lake	142	620	145	526
Sanders	35	60	40	168
Mineral	7	13	6	12

Consumption - 2002-2007

A growing number of food producers are direct marketing their crops through farmer's markets, CSA shares and farm stand sales. The trend is significant both statewide and regionally and more recent data indicates that it is increasing.

Family run small to medium sized livestock operations are the predominant form of primary food production in the WRDR. Vegetable and fruit operations are also predominantly small to medium sized family farms. Approximately one third of all farms and ranches in the WRDR operate on landholdings of from 10-49 acres. Hay and sometimes grain production are commonly integrated with livestock operations but there are also some medium to large sized grain, hay and potato operations.

The types of primary food production for commercial sale currently occurring within the WRDR are: Beef, Buffalo, Yak, Lamb, Eggs, Potatoes, Vegetables, Berries, Tree Fruits (primarily Cherries), Melons and Grains (primarily wheat). Production of breeding stock and show animals, feed grains and hay are also major agricultural activities within the area as are nursery operations specializing in ornamentals, landscape supply and native plants and seeds. No current estimates of production levels for each type are available at this time.

It should also be acknowledged that primary food production also generates direct sale or use, barter and other economic benefits locally that are not captured by conventional statistical measures of market activity. For example, the typical farmer or rancher provides a significant portion of their own food needs and, subsequently, spends less at commercial food stores. Savings generated in this way offset lower income from farm production and make more disposable income available to spend for other items.

Women as Principle Operators - Tenure as of 2007

The percentage of women as principle operators of farms and ranches in Lake and Sanders counties is slightly higher than the state average and has been noted as an emerging trend nationwide. Native American women have seen especially high increases in this category.

	Full Owners		Part Owners		Tenants	
	Farms	Acres	Farms	Acres	Farms	Acres
Montana	3641	1,807,148	678	1,813,165	207	247,136
Lake	172	10,782	31	13,026	5	250
Sanders	68	8,979	19	6,983	4	24
Mineral	9	-	2	-	-	-

WRDR Food System Infrastructure

Food and agricultural industries were the most important economic sector in Lake County and a major component in Sanders County until they declined sharply from 1950-1990. They supported and were supported by an extensive infrastructure of supply stores, repair services, processing facilities, and marketing and distribution services located in the western Montana region. Though the relative importance of these industries has declined significantly they remain a factor in the region's overall economy. The WRDR is still home to family farms, many of them fourth generation cattle and grain operations, which sell and market their production through commodity based venues. Over the past 20 years efforts to rebuild the capacity of the processing and distribution infrastructure within western Montana are starting to take hold.

Currently there are two state certified and one USDA certified meat processing facilities in the WRDR along with butcher shops or custom meat processing facilities in most of the areas communities that are exempt from regulation. There are also five commercially approved food processing plants within the WRDR and several more in adjacent western Montana communities. There is one licensed brewery. Only a few milking parlors remain active in the area and they ship their production to either Bozeman, Montana or Spokane Washington.

There are no commercial livestock exchange or hatchery operations currently within the WRDR.

Processors of seed potatoes, grains and grasses are found in Ronan and Moiese. A fertilizer plant is also located in Moiese. Most other farm and ranch supply is provided by locally operated stores found in most of the area's communities or by Mountain West Co-Op, a large western regional cooperative with a store in Ronan. Large corporate owned farm and ranch supply stores in the surrounding regional trade centers compete with these locally based businesses.

There are currently two WRDR cooperative businesses, the Western Montana Growers Cooperative and the Flathead Lake Cherry Growers Cooperative, providing wholesale marketing, packaging and distribution services for local food producers.

Retail Food Stores and Consumer Food Access

The WRDR is primarily rural with small, widely scattered communities. Only Polson and Ronan have more than one supermarket or full service grocery store. Most of the unincorporated communities have only convenience stores with limited food choices. Many residents travel to adjacent urban centers for at least part of their annual food purchases. Access to stores for low income residents can be problematic and in the WRDR there are what are referred to as "Food Deserts". The Healthy Food Financing Initiative working group defines a food desert as: "A low-income census tract where a substantial number or share of residents has low access to a supermarket or large grocery store"

- To qualify as a "low-income community," a census tract must have either: 1) a poverty rate of 20 percent or higher, OR 2) a median family income at or below 80 percent of the area's median family income;
- To qualify as a "low-access community," at least 500 people and/or at least 33 percent of the census tract's population must reside more than one mile from a supermarket or large grocery store (for rural census tracts, the distance is more than 10 miles).²⁵

Lake, Mineral and Sanders counties all have areas designated as food deserts:

- Lake County – Tract FIPS Code: 30047940100;
- Sanders County – Tract FIPS Code: 30089940100;
- Mineral County – Tract FIPS Code: 30061994600; 30061994500;

²⁵ USDA Economic Research Service. Food Desert Locator. Retrieved from <http://www.ers.usda.gov/data/fooddesert/index.htm>.

Proximity and Access to Grocery Stores or Supermarkets						
		2008	2006			
		Grocery Stores	Low Income and > 1 mile to store	Low Income and > 10 miles to store	Households w/ no car and > 1 mile to store	Households w/ no car and > 10 miles to store
Lake	Number	8	8,052	997	229	35
	Percentage	X	31.6	3.9	2.3	0.4
Sanders	Number	7	45.4	3235	176	130
	Percentage	X	45.1	32.4	4.2	3.1
Mineral	Number	3	1430	818	64	26
	Percentage	X	37.8	21.6	4.0	1.7

In 2011, a Western Montana Independent Grocer survey was conducted by Lake County Community Development's Mission Mountain Food Enterprise Center.²⁶ The purpose of the survey was to:

1. Inventory the range of challenges faced by rural grocery stores,
2. Inventory the variety of market and supply environments faced by rural grocers,
3. Identify the current marketing practices of rural grocers,
4. Inventory best practices used by rural grocers,
5. Identify networking opportunities to build capacities to address challenges.

Western Montana Independent Grocers represent healthy food access points for rural residents, sources of employment and outlets for local food sales. The 28 Western Montana independent grocers surveyed for the report employed a total of 1,051 people, 469 full time and 515 part-time employees. Nearly 90% of the survey respondents reported selling locally grown and or raised food. The biggest common challenges facing independent grocers in the survey were taxes, operating costs, competition with chain stores, and theft or unpaid debts.

Local Economic Development of Food and Agriculture Industries

From the time of its incorporation Lake County Community Development Corp. (LCCDC) recognized the importance of agriculture to the western Montana region. In its earliest economic development efforts and in previous CEDS documents it prioritized economic development projects for the enhancement of the local food and agriculture

²⁶ Lake County Community Development. Western Montana Independent Grocer Survey. Retrieved from <http://www.mmfec.org/wp-content/uploads/2011/06/Western-MT-Independent-Grocer-Report1.pdf>.

industries. In 1998 LCCDC was established as a Cooperative Development Center through the USDA Rural Cooperative Development Center Program. The Mission Mountain Food Enterprise Center (MMFEC) was launched in 2000. MMFEC provides processing infrastructure to support emerging food manufacturing entrepreneurs. It provides an affordable way to develop value added products and technical assistance related to implementing good manufacturing practices and meeting regulatory requirements. The center is the only shared use food processing facility in the state of Montana. The center is a critical resource for developing food businesses in the region as an incubative space for their product and market development. It is also a tool in developing value added products from locally grown and/or raised products that can enter local and regional institutional markets.

LCCDC continues to collaborate with a network of partners to provide technical assistance and financial support to the region's food and agricultural industries. In 2009 The Montana Food and Agriculture Program was funded through the Montana State Legislature. The program was established to enhance the opportunities and the development of farm based food and agricultural enterprises. LCCDC is designated as one of the four Food and Agriculture Development Centers and continues to be designated as a cooperative development center. Through both of these programs LCCDC provides technical assistance to existing and emerging food, agriculture and cooperative businesses.

The Confederated Salish and Kootenai Tribal government also has a history of providing technical assistance and financial support to food and agriculture industries run by its tribal members and has been instrumental in providing irrigation water to non-tribal members in Lake and Sanders counties through its sometimes contentious collaboration with the federal government in developing and managing the Flathead Irrigation Project. Currently CSKT promotes the development or use of its water resources and agricultural and range land base where commensurate with maintaining tribal values and sovereignty. CSKT has one chartered tribal enterprise, Flathead Botanicals, that is directly involved with producing wild crafted or foraged foods for commercial sale and another tribal enterprise, S&K Holding Company, charged with providing assistance to tribal entrepreneurs. The tribe also completed their own CEDS document in 2010 which addressed the agriculture and food industries on the reservation and is collaborating in this current update of the CEDS for the WRDR.

In 2010 LCCDC collaborated with the state and partner economic development organizations in western Montana region to conduct an economic analysis of the area's food economy. The analysis was conducted by Crossroads Resources Inc. The analysis aggregated statistics from the counties of Flathead, Lake, Sanders, Missoula and Ravalli. In their final report Crossroads concluded that if western Montana consumers purchased only 15% of the food they need for home use directly from farmers in the region, this would produce \$66 million of new wealth in the region. Based on these findings and a convening of a regional summit in December 2011- Five Valleys Food and Agriculture Summit- strategies have been developed and working groups formed to prioritize key actions that will work to develop and strengthen our regional food economy. Those actions are reflected in the following summaries and tables for Lake, Sanders and Mineral Counties and the Flathead Indian Reservation.

As noted above there are signs that trends in the agricultural sector are changing. These changes are most likely reflecting the significant changes in national and global economies that have occurred in the past five years. The fact that this region is weathering economic contraction better than most other regions indicates that there is inherent economic stability or value in maintaining viable local food and agricultural industries as resources required for production become more scarce. Local working groups, non-profit groups and public agencies have been seriously addressing challenges to the agricultural sector since the 1980's and many programs and initiatives are now in place. In the WRDR efforts are currently focused on control and prevention of invasive species, improvement of grazing land and local, sustainable food production and distribution systems. Locally, we have been very successful with regard to allocation of both financial and technical assistance geared towards these focus areas.

LAKE COUNTY AND THE FLATHEAD INDIAN RESERVATION

Food and Agricultural Industries Overview

Due to inter-mingled land ownership and sharing of infrastructure Lake County and the Flathead Indian Reservation are considered together with regard to their Food and Agriculture Industries. According to the 2007 USDA Census of Agriculture there were 198 native American farm and ranch operators in Lake County; approximately 15% of all operators.

Lake County has 637,306 acres of land in agricultural production and experienced an 8% increase in the number of farms and ranches between 2002 and 2007. The average farm or ranch size is 498, which is small in comparison to the state average of 2,079 acres. Farms and ranches in Lake County sold \$51 million of farm products in 2007. Approximately \$23 million (45%) of the total farm product sales were from crops. Cattle and other livestock are a significant contribution to the economy with receipts from selling livestock and related products totaling \$28 million (55%). Cattle and calf sales were \$21 million of the total sales.

Lake County ranks #1 in Montana for fruit and nut sales, with \$6.2 million, and ranks 2nd in the state for vegetable sales, with \$8.5 million. From 2002 – 2007 there was a 76% increase in vegetable farms (21 to 37), resulting in a 33% increase in vegetable sales. During the same period fruit and nut sales increased 35%. In 2007 there were 145 farms that reported selling food directly to consumers for annual sales of \$526,000.

The county has the second highest number of acreage in Montana of both vegetables and potatoes, with about 2,400 acres each. Lake County is 3rd in Montana for dairy products with sales of \$4.4 million. The area also ranks 4th in the state for sales of horses and ponies, with \$954,000 in sales and is 6th in the state with an inventory of 4,493 horses and ponies. Horse enterprises are on the rise with some of the most regarded horse trainers in the nation living within the county. Lake County has some agricultural production of Christmas trees, with annual sales of \$6,000, and ranks 8th in state for sales of nursery and ornamental crops, with \$1.3 million.

Lake County population growth beginning in the 1970's has had an impact on its agricultural lands commonly attributed to economic incentives to subdivide combined with unfavorable agricultural market conditions. Coincidentally there has been an increase in the number of small diversified farms that are more intensively managing fewer acres. Since 1979, farm producers within the western Montana region have spent more producing crops and livestock than they earned by selling these products. This amounts to a loss of 19% of farm product sales. Total cash flow for farmers in the region has been negative for all but three years since 1979. Moreover, 73% of the region's farms and ranches reported net losses in 2007 even after federal subsidies are taken into account. Overall, this means farm families rely heavily on off-farm jobs to make ends meet and for health care benefits. In Lake County 79% of the farmers rely on other income to maintain their farming operations.

Economic Development Strategies – Lake County and the Flathead Indian Reservation

The following lists strategic priorities to be considered over the next five years related to food and agriculture industries in Lake County and the Flathead Indian Reservation.

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Maintain LCCDC's MMFEC's Food Industry Training Programs	Provide education and training in food safety regulation and food business development.	These programs have already proven beneficial in establishing, retaining and improving area food production, marketing and service businesses. In addition to serving the WRDR they serve the rest of western Montana.
Maintain LCCDC's MMFEC's Commercial Food Processing Facility and Value-Added Business Program	Provide an approved commercial facility and other resources for the incubation of locally or regionally based value-added food businesses	Nine businesses have been assisted in developing value added products that use primarily locally or regionally grown ingredients. Value added products increase producers' options for marketing more of their crops.
Maintain LCCDC's Cooperative Development Center Program	Provide financial and technical assistance to local or regional producers interested in forming a cooperative business	Several agricultural cooperatives have been assisted that are successfully operating and expanding their market share. Currently the program is assist-ing 7 western Montana agricultural cooperatives in forming or expanding.
Continue Economic Analysis, Community Outreach and Other Programs at LCCDC Food and Agriculture Development Center	Research obstacles and opportunities in the food production and distribution system and respond proactively	A detailed study of western Montana's Food Economy has been completed and a major regional conference has been held. Working groups have been formed that are currently working on all aspect of the regional food system.
Continue to Provide Tribal Support and Resources to Tribal Members Developing Food and Agricultural Enterprises	Encourage the productive use of tribal lands for the benefit of tribal members where compatible with overall tribal values and traditions	One tribal business has been chartered that is based on wild crafted foods. Chances for tribal members to succeed in food and agricultural enterprises are increased greatly due to financial and technical assistance and access to land.
Continue LCCDC's and CSKT Support of Programs Under the USDA Farm to School Initiative	Counter a tendency for eating habits developing during youth that will lead to long term health problems in conjunction with developing local markets for local products	Four projects are currently active in five area schools that are educating students about the benefits of healthy eating and local food systems. These projects are leveraging the ability of local producers to increase capacity and enter into institutional markets.
Continue LCCDC's and CSKT Support of Community Based Farmer's Markets	Increase opportunities for direct sales of locally produced agricultural products and support community growth	Establish farmer's markets in all WRDR communities and/or increase food vendor presence at existing markets. Create conditions conducive to new farmers becoming established within the region.

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Maintain and expand food processing infrastructure in the western region	Provide technical assistance and capital resources to existing and emerging food processing enterprises in the western region.	Regional food and agricultural businesses have conducted feasibility analyses with financial plans to expand existing or develop new processing infrastructure. Through investment capital these businesses will contribute to a growing local food economy and bring new wealth to our rural communities.

MINERAL COUNTY

Food and Agricultural Industries Overview

Only a small portion of Mineral County’s land base is suitable for agricultural production. Subsequently food and agriculture related enterprises are a minor component of the local economy. The vast majority of these enterprises are small to medium sized family concerns which produce small grains, hay, cow/calf, hogs and horses and timber. With the county land base being 92% public land there is little opportunity for full-time employment in agriculture. The Tricon Mill in St Regis provides a ready market for local logs. The number of horses kept for recreational purposes also provides a ready local market for the quality hay that is produced. With the exception of hay, small grain and cow calf operations, most agriculture is for personal consumption or supplementary income. These enterprises have been negatively affected by pressures to subdivide and fluctuations in the beef industry.

Land prices have remained high in the area and the limited growing season serve to preclude any potential new startup operations. Family generational transition of property and operations lends a high level of uncertainty to the future of the land suitable for agricultural production. Access to markets, high costs of inputs and access to working capital prevents feasible startup or takeover of current operations. The potential loss of funding from the federal Secure Rural Schools Act places the county services that support economic development and agriculture in danger due to lack of sufficient tax base, no logging or other resource extraction revenue from the 82% of the land managed by the Forest Service, or any indication of assistance potential from State government for counties in their state that are dependent on these funds.

According to the 2007 USDA Census of Agriculture Mineral County has 22,654 acres of land in agricultural production. With only 99 operations that makes the average farm or ranch size 229 acres. Farms and ranches in Mineral County sold \$862,286 of farm products in 2007 nearly all of which was cattle and calf sales. Only 6 of 99 operators reported any sales direct to consumers. Recent trends, however, indicate there are opportunities to stabilize the agricultural sector and diversify the economic base of the area.

Opportunities

Accessibility to locally grown fresh produce is a coming trend in the area. A farmer’s market is establishing a repeat presence over the past few years with an increasing participation by local gardeners selling “left-over” produce after their family’s needs have been met. A nursery for native plant species is a market that remains viable with few in this region participating.

The local meat processing facility has expressed a desire to purchase locally finished cattle and hogs, which may provide an entrepreneurial opportunity in the county. The major constraint to date has been access to an affordable protein source and a large enough operation to take advantage of savings by scale. These and other potential opportunities have not been tested given the guarded condition of the local and larger economy.

Economic Development Strategies – Mineral County

The following lists strategic priorities to be considered over the next five years related to food and agriculture industries in Mineral County.

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Involve Mineral County Agricultural Producers and Community Leaders in the regional food system working groups	Research obstacles and opportunities in the food production and distribution system and respond proactively	A detailed study of western Montana's Food Economy has been completed and a major regional conference has been held. Working groups have been formed that are currently working on all aspect of the regional food system.
Involve Mineral County Agricultural Producers and Community Leaders in the USDA Farm to School Program	Counter a tendency for eating habits developing during youth that will lead to long term health problems in conjunction with developing local markets for local products	Four projects are currently active in five area schools that are educating students about the benefits of healthy eating and local food systems. These projects are leveraging the ability of local producers to increase capacity and enter into institutional markets.
Research Potential for Expansion or Establishment of Farmer's Markets in Superior, St. Regis and Alberton	Increase opportunities for direct sales of locally produced agricultural products and support community growth	Establish farmer's markets in all WRDR communities and/or increase food vendor presence at existing markets. Create conditions conducive to new farmers becoming established within the region.
Working with/through Mineral County Extension Office to develop opportunities which may exist related to a nursery for native plant seeds and/or animal finishing and processing	Increase opportunities for economic development, including developing infrastructure to support growth industries within the sector	Increase potential for development of new industries within the Ag Sector in Mineral County as well an opportunity for job creation.

SANDERS COUNTY

Food and Agricultural Industries Overview

Agriculture has been and continues to be important to the economic well-being of Sanders County. According to the Crossroads Resource Center, as of 2007, 508 farms were located in Sanders County, a 9% increase over 2002. 341,913 acres of land was designated as farm with the average farm size of 673 acres, down 10% from 2002, an indication that

farms were being subdivided but many were still being kept in operation. Additional evidence of this trend is that the most prevalent farm size was 10-49 acres. Fourteen million (\$14,000,000) in farm products were sold in 2007, \$6.4 million as crops, \$7.6 million as livestock and related products. The county ranks first in the state with 453 acres in nursery and ornamental production and 2nd in nursery and ornamental sales. Sanders County is 3rd in Montana for Christmas tree sales and 5th in fruit and nut production.

Opportunities exist in expanding value added agricultural products and direct marketing to consumers. Sales through commodity venues will likely remain important but agricultural producers would likely benefit from diversifying or changing their traditional crop marketing plans. With plentiful water, good soils and growing climate organic farming practices should also be promoted within Sanders County to capitalize on this growing market segment.

Economic Development Strategies – Sanders County

The following lists strategic priorities to be considered over the next five years related to food and agriculture industries in Sanders County.

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Involve Sanders County Agricultural Producers and Community Leaders in the regional food system working groups	Research obstacles and opportunities in the food production and distribution system and respond proactively	A detailed study of western Montana's Food Economy has been completed and a major regional conference has been held. Working groups have been formed that are currently working on all aspect of the regional food system.
Involve Sanders County Agricultural Producers and Community Leaders in the USDA Farm to School Program	Counter a tendency for eating habits developing during youth that will lead to long term health problems in conjunction with developing local markets for local products	Four projects are currently active in five area schools that are educating students about the benefits of healthy eating and local food systems. These projects are leveraging the ability of local producers to increase capacity and enter into institutional markets.
Continue to Support Expansion of Farmer's Markets in Plains, Hot Springs and Thompson Falls and Research the Potential for Markets in Noxon, Trout Creek and Dixon	Increase opportunities for direct sales of locally produced agricultural products and support community growth	Establish farmer's markets in all WRDR communities and/or increase food vendor presence at existing markets. Create conditions conducive to new farmers becoming established within the region.
Establish a "Local Choice" Marketing Campaign Featuring Food Products Grown and Produced in Western Montana	Promote new agricultural business enterprises and local demand for locally grown food products	Results in more dollars staying within the local economy and encourages healthy changes in eating habits.

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Utilize Local State and Federal Resource Agencies	Expand local agricultural production and support research programs specific to the region.	Identify financial resources, access technical expertise and promote alternative crops or techniques that improve and diversify agricultural production of crops suitable to western Montana
Continue to Support the Cooperative Development and Mission Mountain Food Enterprise Centers	Provide a one-stop place for producers to add value, process, market or otherwise grow agricultural enterprises	Promote new business ventures and increases the profitability of local crops.

HEALTH AND HUMAN SERVICES: WESTERN RURAL DEVELOPMENT REGION

WESTERN RURAL DEVELOPMENT REGION

Health and Human Services Overview

This region, located between the more urban areas of Missoula and Kalispell, is rather sparsely populated and rural in nature. Isolation makes rural poverty different. Programs designed to address the needs of the urban poor may not adequately address the problems faced by the rural poor. Lack of transportation and social isolation creates problems different from those in urban areas. Often, the urban image of poverty portrays those in need of public assistance as unwed parents with children who are either unable or unwilling to work, but in the Western Rural Development Region, those in need of assistance are a significantly higher proportion of poor families, including adults that are both married and working, but unable to make enough to lift their families out of poverty.

Health Care

While issues of access to quality health care are relevant in both urban and rural areas, there are important differences in the two arenas. In rural areas, there is often an issue of whether there are any health care facilities and providers to access at all. Large metropolitan areas have nearly four times as many physicians as do rural counties with only small towns and access to specialists is even more problematic, with only one-sixth as many available providers. Access to major medical care is often further exacerbated by the distances residents often have to travel to get to them. The consequences can be especially dire when time is critical.

From the period 1990 to 2010, the region had an overall population increase of 24.12%, with Lake County having the largest relative change of 26.81%. Statistics show that our overall population continues to age throughout the region, which will have a profound effect on how health care services are delivered in the future. From 2000 to the 2006-2010, the median age estimate increased by 7.6% in Lake County, upwards to 16.3% increase in Mineral County. Over 9% of people over 65 live below the poverty level, and 28% of households rely on social security, retirement income and/or some form of public assistance for their incomes, resulting in a Mean Annual Earnings of less than \$18,000 per

household. The region is fortunate in that local services are *almost* keeping pace with growth and many of our local facilities have either recently expanded, or plan to expand their physical plants and/or service offerings to meet community needs. Whether or not they can afford to meet the growing needs of the future considering the ongoing changes of how the nation views its responsibilities for paying the cost of healthcare, is another story.

Regionally, the *Healthcare and Related Social Services Industry* is the second largest employer, providing nearly 2500 jobs in 2009 and a total income from wages and benefits approaching \$90 million. In addition to the fact that a high percentage of those wages are paid locally, the additional economic impact from the payment by these employers to local businesses for services, including utilities and purchases is significant. The *Service Industry* Sector is the fastest growing industry in the region, adding over 1100 jobs between 2001 and 2009, versus the *Non Services Related* Sectors, which lost jobs, and *Government* that added 214 jobs overall. The *Health Care and Social Assistance* Sector was the third fastest growing of the *Services Related Industries*, behind *Real Estate and Rental/Leasing* and *Professional and Technical Services*. The Sector is considered to have continuing high-growth with expanding employment opportunities for the full spectrum of health care workers well into the future.

There are four hospitals serving the region, located in Polson, Ronan, Plains and Superior. Each of the hospitals is designated as “critical access” and each maintains one or more primary-care clinics in addition to their hospital services. CSKT Health and Human Services operates two full-time (M-F) primary care clinics in St. Ignatius and Polson; a full-time clinic in Arlee; and part-time clinics in Elmo and Ronan. All service providers engage in partnerships with major hospital providers in Missoula, Kalispell and/or Spokane to provide a full-spectrum of surgical, specialist and patient care unavailable locally. All providers cite needs for expanded or enhanced senior services, especially as the population ages. Providers struggle to meet the increasing needs of their clientele, considering the continual changing landscape of advancing technologies, federal and state healthcare initiatives, increased desire of the population for local care in the face of increased transportation costs to urban centers, and an expensive/and less than “robust” information technology infrastructure that is a critical component of future care.

Healthcare in the future will rely on the ability to attract skilled primary care physicians throughout the region; establishment of “best practices” institutions that deliver accountable and coordinated inpatient and outpatient care at a local level; and the ability of the providers to access adequate bandwidth through direct fiber installations in order to fully implement both electronic record keeping that can be transmitted as needed with the patient anywhere in the world and to provide real-time procedural consultation related to patient care. Future employment opportunities not only include skilled family care practitioners at all levels, but for related computer sciences and technology skills that help clinics and hospitals stay incorporate technological advancements in medicine and telemedicine into daily practice.

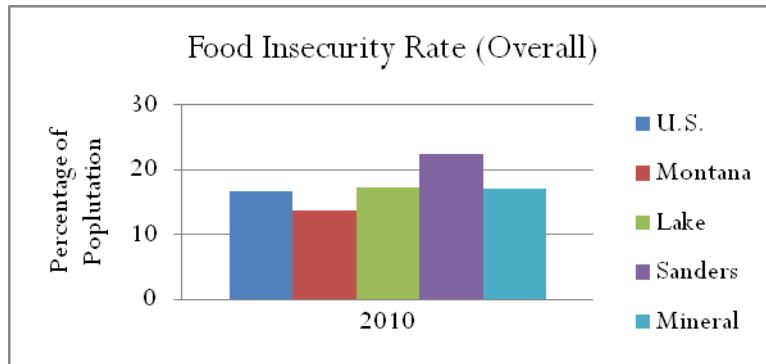
Human and Community Services

Community is a word that goes to the core of the many service programs, civic organizations and non-profit agencies working on behalf of the residents of the region. In addition to a wide selection of religious organizations and churches, the community also has a diverse sampling of programs providing direct services and support to residents of all ages and backgrounds. These groups form a powerful and important network, enriching the quality of life for all while promoting civic engagement and collaboration. Many of these agencies are non-profits that operate with limited staff and volunteer assistance.

Food Security

Food security — “Access by all people at all times to enough food for an active, healthy life. Food security includes at a minimum: (1) the ready availability of nutritionally adequate and safe foods, and (2) an assured ability to acquire acceptable foods in socially acceptable ways (e.g., without resorting to emergency food supplies, scavenging, stealing, or other coping strategies).”

Food insecurity — “Limited or uncertain availability of nutritionally adequate and safe foods or limited or uncertain ability to acquire acceptable foods in socially acceptable ways.”²⁷



- Lake, Sanders and Mineral Counties surpass Montana’s and the nation’s food insecurity rates, and at least 25% of the people who identify themselves as food insecure in Lake, Sanders and Mineral Counties exceed the 185% threshold of poverty, meaning they make too much money to qualify for Federal assistance (i.e. SNAP Benefits) yet too little money to ensure a reliable supply of nutritionally adequate and safe foods.

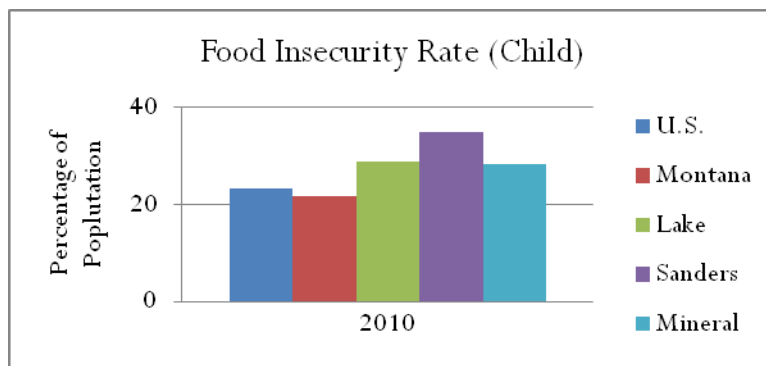
2010 Food Insecurity Rate (Overall) ²⁸			
		Food Insecurity Rate	Food Insecure who live above SNAP threshold of 185% poverty
U.S.	Percentage of Population	16.6	29
Montana	Number of People	132,180	46,263
	Percentage of Population	13.8	35
Lake	Number of People	4,880	1,269
	Percentage of Population	17.3	26
Sanders	Number of People	2,450	686
	Percentage of Population	22.4	28
Mineral	Number of People	670	201
	Percentage of Population	17.1	30

- According to the Feed America report, Map the Meal Gap 2011, inadequate nutrition due to child food insecurity can negatively impact early childhood brain development, which may affect a child’s ability to learn, socially interact and perform. Children who experience food insecurity have a higher likelihood for obesity and diabetes, higher absenteeism, lower school performance and higher dropout rates for school age children.

²⁷ USDA Economic Research Service (2008). Household Food Security in the United States 2008. Retrieved from <http://www.ers.usda.gov/Publications/ERR83/ERR83.pdf>.

²⁸ Feed America. Hunger Studies: Map the Meal Gap. Retrieved on March 7, 2012 from <http://feedingamerica.org/hunger-in-america/hunger-studies/map-the-meal-gap.aspx>.

- Child food insecurity has economic impacts, including lost wages by parents or guardians due to child sick days, increased costs of education for children with special needs as a result of cognitive delay due to food insecurity, and increased healthcare costs.



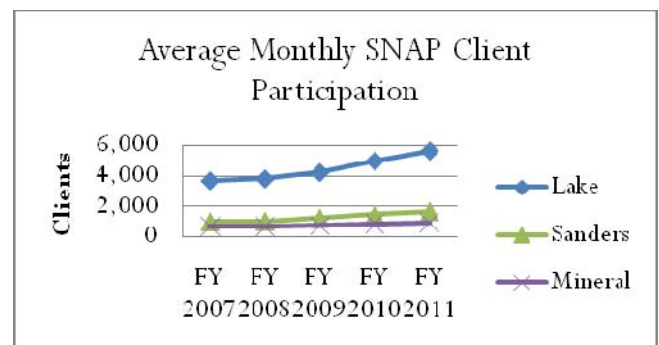
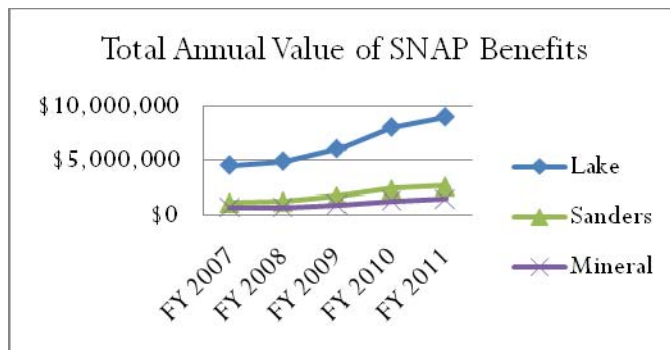
- Montana ranks 33rd in the nation for child food insecurity. Sanders County is ranked as a high child food insecure county with more than 33% of children lacking an adequate and reliable supply of nutritious food.

2010 Child Food Insecurity Rate ²⁹			
		Food Insecurity Rate	Food Insecure who live above SNAP threshold of 185% poverty
U.S.	Percentage of Population	23.2	23
Montana	Number of Children	48,000	18,720
	Percentage of Population	21.8	39
Lake	Number of Children	2,080	624
	Percentage of Population	28.9	30
Sanders	Number of Children	780	257
	Percentage of Population	35.0	33
Mineral	Number of Children	250	103
	Percentage of Population	28.3	41

²⁹ Feed America. Hunger Studies: Map the Meal Gap. Retrieved on March 7, 2012 from <http://feedingamerica.org/hunger-in-america/hunger-studies/map-the-meal-gap.aspx>.

Participation in Federal Food Assistance Programs

Supplemental Nutrition Assistance Program (SNAP)



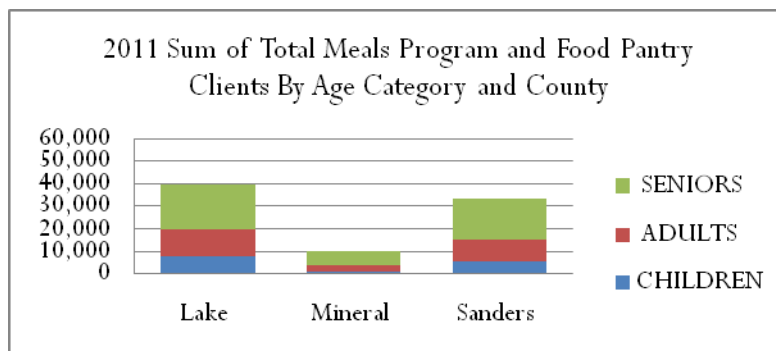
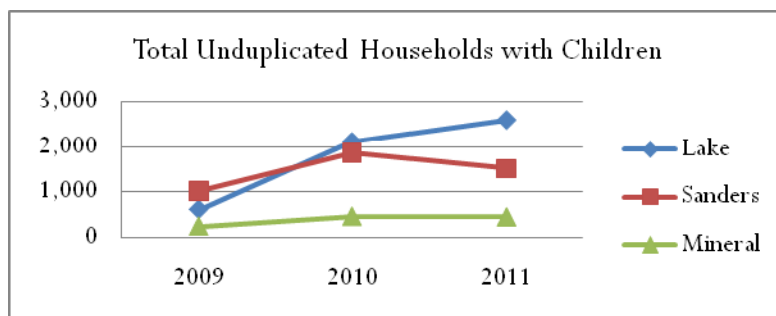
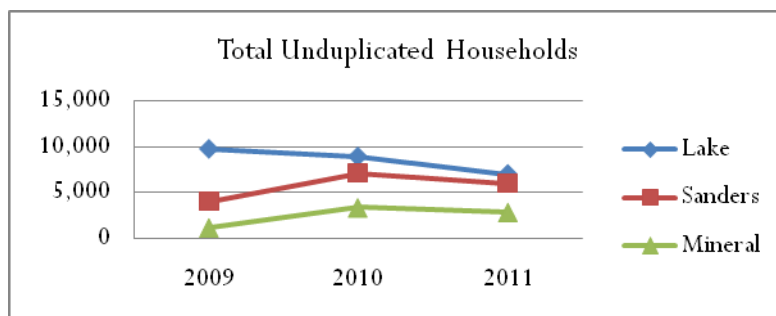
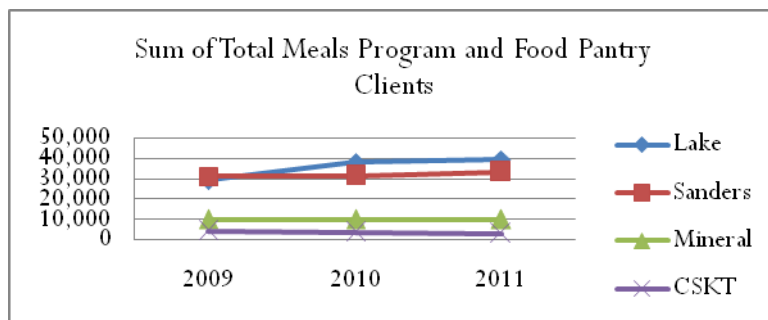
Supplemental Nutrition Assistance Program (SNAP)						
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Montana	Monthly Client Participation	79,969	80,407	92,453	113,570	124,243
	Monthly Benefit Per Person	\$93.47	\$97.65	\$121.29	\$129.54	\$129.66
	Value of Benefits (Annual)	\$89,954,194	\$93,488,662	\$118,674,620	\$170,224,019	\$191,241,027
Lake	Monthly Client Participation	3,670	3,793	4,198	4,944	5,597
	Monthly Benefit Per Person	\$102.75	\$107.39	\$120.45	\$136.56	\$134.93
	Value of Benefits (Annual)	\$4,524,417	\$4,888,677	\$6,067,714	\$8,101,559	\$9,064,644
Sanders	Monthly Client Participation	991	1,026	1,213	1,470	1,672
	Monthly Benefit Per Person	\$94.84	\$100.72	\$117.36	\$134.08	\$131.47
	Value of Benefits (Annual)	\$1,127,792	\$1,240,545	\$1,708,651	\$2,365,808	\$2,637,968
Mineral	Monthly Client Participation	635	639	694	825	910
	Monthly Benefit Per Person	\$93.38	\$93.38	\$112.42	\$129.87	\$132.84
	Value of Benefits (Annual)	\$715,948	\$715,948	\$936,835	\$1,285,711	\$1,450,981

- Montana has experienced nearly a 157% increase in average monthly SNAP benefit usage between 2007 and 2011 resulting in a 212% increase in total benefits dispersed annually. Lake and Mineral Counties have experienced a similar increase; whereas Sanders County has outpaced the state growth -- approximately 170% increase in client monthly usage and 236% increase in annual SNAP benefits dispersed.

Free or Reduced Lunch Program

Federal Free or Reduced Lunch Program Eligibility (Elementary Schools)			
		2009-2010	2010-2011
Lake	Arlee Elementary	71%	71%
	Polson Elementary	52%	58%
	St Ignatius K-12	71%	73%
	Ronan Elementary	70%	73%
	Charlo Elementary	51%	52%
Sanders	Plains Elementary	69%	63%
	Thompson Falls Elem.	66%	70%
	Trout Creek Elem.	67%	73%
	Paradise Elementary	62%	65%
	Dixon Elementary	N/A	N/A
	Noxon Elementary	62%	62%
	Hot Springs Elementary	71%	71%
Mineral	Alberton K-12	43%	58%
	Superior	56%	63%
	St Regis	73%	82%

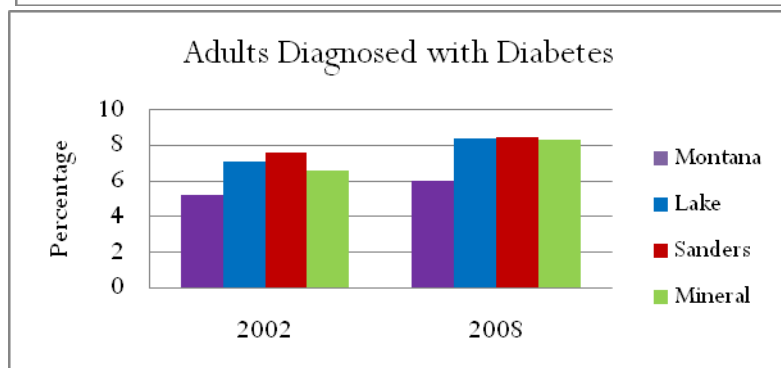
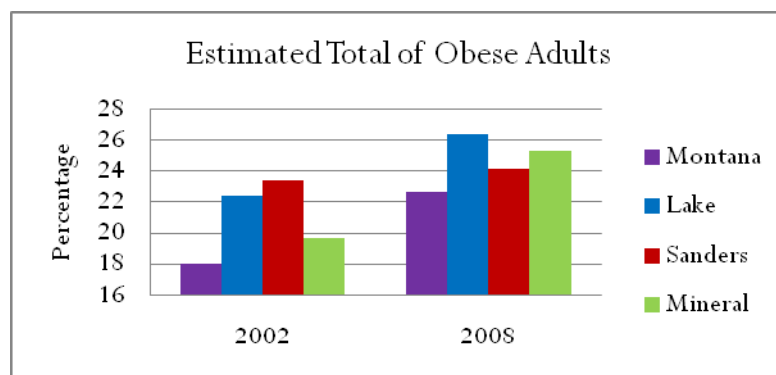
Emergency Food Distribution³⁰



- In 2011 the Montana Food Bank Network had 22 partner organizations that distributed emergency food.
- Between 2009 and 2011 Lake and Sanders County MFBN partner organizations reported an increase in sum total client usage. Mineral County remained relatively constant while CSKT DHRD reported a slight decline.
- Between 2009 and 2011 Mineral and Sanders County MFBN partners reported that households (unduplicated) client usage increased overall, while Lake County declined.
- Households (unduplicated) that reported having children increased in all three counties. Lake County experienced a 400% increase.
- In 2011 approximately 678,000 lbs of food was distributed through MFBN partner organizations.
- In 2011 the total sum of senior citizens utilizing emergency food distribution services was greater than the combined total of adults and children.

³⁰ Montana Food Bank Network and Confederated Salish and Kootenai Tribes Department of Human Resources Development. Personal Communication. March 2012.

Obesity and Diabetes Rates



Estimated Adult Obesity and Diagnosed Diabetes ³¹					
		Obesity		Diabetes	
		2002	2008	2002	2008
Montana	Estimated Total of Adults			37,000	49,000
	Percentage of Population	18	22.7	5.2	6
Lake	Estimated Total of Adults	4490	5509	1425	1759
	Percentage of Population	22.4	26.4	7.1	8.4
Sanders	Estimated Total of Adults	1964	2096	638	734
	Percentage of Population	23.4	24.2	7.6	8.5
Mineral	Estimated Total of Adults	587	762	198	251
	Percentage of Population	19.7	25.3	6.6	8.3

- According to the Center for Disease Control (CDC) an adult (20 years or older) who has a body mass index of 30 or higher is considered obese, and diabetes is a group of diseases marked by high levels of blood glucose resulting from defects in insulin production, insulin action, or both.

- Between 2002 and 2008 estimated total of obese adults and reported cases of diabetes climbed both at the state and county levels. Lake County experienced the greatest gain in the number of people considered obese.

- In 2008 Montana was the 43rd most obese state and ranked 43rd in number of reported diabetes cases. During the same period Lake, Sanders and Mineral Counties far outpaced the state percentages.

- According to the Trust for America's Health, the 2003 per capita costs for obesity in Montana was \$191.

³¹ Source: Center for Disease Control. County Level Estimates of Diagnosed Diabetes and Estimated Obesity - State Maps. Retrieved on March 6, 2012 from <http://apps.nccd.cdc.gov/ddtstrs/default.aspx>.

Health and Human Services Strategies – Western Rural Development Region

The following lists strategic priorities to be considered over the next five years related to health and human services in the Western Rural Development Region.

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACT
Support the development of collaborative efforts of the hospitals and clinics in the region, including those located in Ronan, Plains and Superior, in developing a regional residency program;	Develop opportunities for patients to receive the care they need, while staying in their communities, and Develop opportunities to increase employment through added services	For patients; it has been proved than recuperation within the community and family environment provides faster and more beneficial results; Identified as a “high growth” industry in the region, there is increased potential for job creation for a variety of health care workers, nearly of which pay at or above living wages.
Develop appropriate work-force training and degree programs that assure availability of trained workers to fill positions as they are needed to meet the growing needs of the industry.	Work closely with industry/d workforce training programs, educational facilities and others to understand growing needs; assure needs are communicated to those providing training programs to future employees	Both the employees and the community benefit as a skilled workforce is developed that provides valuable support to an industry that by definition, provides wages at or above living wage.
Assist and support the development of supportive care facilities for senior citizens in the region, from assisted care to nursing homes.	Provide technical assistance and financial support for planning and feasibility studies, leading to conversion and reuse of existing buildings and/or construction of new facilities, as appropriate.	As the population ages, we see a growing need for a variety of care facilities, where few now exist. Aging “in place”, within a home community and near family is a critical aspect of quality of life for our senior populations. In addition to building new facilities where needed, efforts should be maximized to identify and converting suitable existing and vacant buildings for this use, thereby assisting communities in reducing any inventories of vacant sites.
Support healthy-foods and life style change initiative that encourage healthy eating and exercise;	Improve access to healthy foods in schools and for senior and low-income populations.	Healthy eating and lifestyles throughout all ages is proven to: <ul style="list-style-type: none"> ● Improve quality of life ● Reduce healthcare costs ● Contribute to longevity
Support the expansion and improvement of health care services throughout the region by assisting with planning and funding	Maximize access to affordable health care for all throughout the region	Supports healthy lifestyles; assists an aging population with access to health care near their homes; assures critical access healthcare within the community

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACT
Support public transportation initiatives that would provide service to local and regional medical facilities	Assure our rural populations have access to whatever level of care is needed	Some residents are not able to travel easily and require assistance in accessing medical care
Encourage the expansion of home health care services	Support those companies that provide these services and encourage job growth in this critical area of need	Some residents are not able to travel easily and require assistance in accessing medical care; encourages “aging in place”
Expand and enhance health care services available to Tribal members in Ronan, St. Ignatius, Arlee and Elmo	Support Tribal Health initiatives to assure adequate services to its members	Both additional job growth for Tribal member professionals entering into health-care services and assures access to health care by our Native population that may feel disenfranchised in non-native settings.
Work with Salish Kootenai College and other education facilities to increase educational and training opportunities for Tribal members entering the fields of health-care	Increase job opportunities throughout the region for Tribal members that are entering into professions that serve the health care industry	Assures support for a growing industry through the development of a locally-based, highly trained workforce.

LAKE COUNTY

Health and Human Services Overview

Health Care Services

In addition to the three primary providers shown below, Lake County is fortunate in having several health care providers including private physicians and clinics, dentists, chiropractors, osteopaths, nutritionists and practitioners of a variety of alternative techniques. The three largest and most visible providers include: Tribal Health and Human Services network; Providence St. Joseph Medical Center and clinic; and St. Luke Community Healthcare.

Providence St. Joseph Medical Center

Providence Health and Services is a not-for profit health system continuing the legacy of the Sisters of Providence by committing to providing an array of services to meet the needs of communities across five states including Washington, Montana, Alaska, Oregon, and California. *Providence St. Joseph Medical Center*, located in Polson, offers a wide array of specialties including:

- 24 hour emergency department
- Obstetrics and gynecology, family practice, orthopedics, general surgery, rehabilitation, laboratory services, diagnostic imaging, full service pharmacy, nutrition and social services
- St. Joseph Medical Center has 22 licensed and operational beds and a medical staff of 16 local providers

- Specialty services are offered on a weekly basis include cardiologists from the International Heart Institute of Montana, oncologists from Montana Cancer Specialists, and audiologists from Missoula Hearing.
- Monthly visits are scheduled with a diabetes counselor, neurologist and ophthalmologist. The walk-in clinic in Polson is available six days per week; and the Ronan Clinic offers OB/GYN and family practice services five days per week.

With 181 employees, an annual payroll of \$11,513,753 and paid benefits of \$2,818,531, it is estimated that Providence St. Joseph Medical Center has a minimum \$30,000,000 annual economic impact on the local community.

St. Luke Community Healthcare

St. Luke's is a community-owned network of healthcare providers that delivers complete care for all stages of life from birth to extended elderly care. The 25-bed St. Luke Community Hospital with an Emergency Department staffed with physicians on-site, 24-hours-a-day, 7 days a week handles nearly 9,000 ER visits per year. In addition, the Ronan hospital also provides a walk-in convenient care clinic that is designed for those who cannot get in to see their regular doctor but who do not require an emergency room visit.

The 14 primary care providers deliver family practice, pediatric, internal medicine and obstetrical and gynecological medical care through three network-owned clinics in Ronan, St. Ignatius and Polson. All three clinics provide laboratory and x-ray services. Cardiology, urology, nephrology, neurology, neurosurgery and OB/GYN specialists visit the clinics on a monthly basis.

The St. Luke Surgery Center offers same-day or in-patient OB/GYN, Endoscopic and Laparoscopic procedures in addition to cosmetic, cataract and reconstructive and general orthopedic surgery. A full-time general surgeon provides a broad range of surgical procedures so that patients do not have to leave the valley for any planned procedures. The newest St. Luke imaging department service line is Nuclear Medicine, the first of its kind in the Mission Valley. It's the latest addition to the state-of-the-art technology at the Ronan hospital that includes 64-slice CT scanning, digital mammography and mobile MRI services in addition to 3D/4D ultra-sound imaging. All aspects of the healthcare network are tied together by the advanced digital Picture Archiving Communication System (PACS) that gives providers instant access to diagnostic images generated anywhere in the network.

St. Luke Community Oxygen and Durable Medical Equipment deliver oxygen supplies and quality durable medical equipment from walkers to hospital beds. In addition, certified therapists evaluate and care for patients with special respiratory needs. Cardiologists from the Montana Heart Center are on-site at St. Luke each month to assist patients requiring cardiac rehabilitation. St. Luke Community Healthcare has also expanded, and completely remodeled, the physical therapy and fitness center. The 75 bed extended care facility includes a transitional care unit and adult day care. Sleep studies, audiology, women's rehabilitation, occupational therapy and speech therapy add to the complete range of services available through St. Luke Community Healthcare.

With 385 employees, it is estimated that the St Luke Community Healthcare has a minimum \$100 million economic impact on the local community, considering an overall economic 1.67 multiplier on a payroll of \$21.3 million and expenses of \$38.8 million³².

³² Using Bureau of Economic Affairs RIMS II data released 2010

Ambulance

The Polson Emergency Company is a privately owned ambulance service that provides emergency response for the City of Polson and surrounding area. Volunteer ambulance services and first responders cover the remainder of the County. Air ambulance is available from both Kalispell and Missoula. The County 911 center dispatches all ambulances. As the need grows, volunteer services may have to give way to private service with full-time paid staff in order to assure prompt and professional service to a growing population.

Human Services and Community Services

Food Pantries

Open to the general public operate in Ronan, Polson, St. Ignatius and Arlee. These programs provide basic food items to those seeking their assistance and are maintained with strong volunteer support and donations. Services provided are free and open to all.

Lake County Human Rights Coalition

For two decades, the Coalition has worked to promote understanding and community across the area. In that time they have hosted educational activities and provided community events on topics such as bullying, racial diversity, hate crimes and leadership.

Helping Hands

An organization affiliated with the Polson Ministerial Association. Helping Hands maintains and assists with emergency fund requests for food, housing, rent, medical equipment and medications. The program operates with community support and seeks to serve as a place to fill in the gap for those who don't qualify or can't access other services.

SAFE Harbor

The only agency between Missoula and Kalispell that provides shelter and support services to victims of domestic violence, stalking or sexual assault. It also operates a homeless shelter. All services are free and open to all. For nearly 20 years the program has focused on helping victims by providing shelter, a 24-hour hotline, financial assistance, transportation, advocacy and support services for them to transition on to the next phase of life.

Domestic Violence and Education Services (DOVES) Program

Helping with education and legal issues for victims of domestic violence, sexual assault, and stalking is the Domestic Violence and Education Services (DOVES) Program. DOVES provides short-term crisis intervention, a toll-free 24-hour hotline, community outreach, legal and personal advocacy, financial assistance, information and referrals, prevention education and support groups. Services are free and open to all.

Cheerful Heart

Provides free non-medical services for Lake County residents with cancer. Assistance is provided with transportation, shopping, meal preparation, hospital visitations, yard work, pet care and respite. Volunteers are always needed.

Mission Mountain Enterprises

A non-profit that provides residential services, community and organizational employment and personal and social services for people with disabilities.

The Lake County Youth Home

A program that helps area children rebuild their life. It operates with public and private support including the assistance of Big Productions, which for more than 20 years has helped bring musicians, artists and other performers to the area.

CONFEDERATED SALISH AND KOOTENAI TRIBES

Health and Human Services Overview

Tribal Health and Human Services Department

The mission of the *Tribal Health and Human Services Department* is to be the primary care-giver of choice for all Tribal members (of any Tribe) and registered descendents in a geographic area including the Flathead Reservation, north to Kalispell and south to Missoula. Within that geographic area, there are approximately 11,400 people who are eligible to receive services. An estimated 40% of the user population on the Reservation has chosen to use one or more of the five primary care clinics owned and managed by Tribal Health and Human Services. The two full-time clinics in St. Ignatius and Polson offer full-time primary care with multiple “wrap-around” programs including (but not limited to) dental care, pharmacy, diabetes care, X-ray and MRI services, audiology, optometry, MRI and PT services.

Three part-time clinics in Arlee, Ronan and Polson each provide primary care and out-patient services through a staff that includes Doctors of Osteopath, Physicians Assistants and skilled nursing. HHS anticipates expanding services at the clinic in Arlee and building a full-time, full-service clinic in Ronan. Referrals for specialists, surgery, hospital care and other services not provided in the clinics are made through a network available either locally or in Missoula to the south and Kalispell to the north.

Until 2005, medical care for the Indian population was provided through other local clinics, hospitals and other care givers, with reimbursement managed by CSKT under funding received through the HIS for that purpose. Upon determining that it could no longer afford the continued losses incurred in the system, CSKT ceded all such reimbursements to the IHS program in Billings, Montana and determined to open its own primary care clinics, locally, to better serve the Indian community in the region. Approximately 45% of its funding is a direct federal appropriation; the balance of revenues is generated from Medicaid/Medicare reimbursements, contracted care and private insurance. The clinic program is now employing 110 full-time equivalent employees including skilled providers and administrative positions and estimates its annual economic impact in the community at over \$50 million. Expansion will add 5 skilled professionals and 2 office support staff.

CSKT manages more than forty service programs including TANF, WIA, Employment Training Program, General Assistance, Childcare Block Grant Program, Even Start, Tribal Commodities, Tribal Dire Need, LIHEAP, Trust Management, Elderly Assistance and Nutrition, Vocational Rehabilitation, Foster Care, Child Protective Services, the Passages Fatherhood Program, Substance Abuse Prevention Program, a Youth Suicide Prevention Program, and the Independent Living Program, among others.

The CSKT Department of Human Resources Development (DHRD)

The DHRD was established in 1998 to help support family stability and self-sufficiency. Major programs within DHRD are: TANF (welfare), General Assistance, Tribal Vocational Rehabilitation, LIHEAP (winter heating assistance to low

income persons), Childcare Block Grant Program, WIC, Tribal Commodities, Trust Management, Summer Youth Training, Workforce Investment Act Employment and Training Services (WIA), Kerr Elderly, and Even Start Family Literacy Services.

The CSKT Early Childhood Services Program

The program assists families and children from across the Reservation. Through this program, families can get support for pre-kindergarten age children through programs like Early Head Start and Head Start. Head Start, a child development program for low income families, came to the Flathead Reservation in 1965. The tribal vocational rehabilitation program works to provide quality and culturally appropriate Vocational Rehabilitation services to American Indians with Disabilities consistent with their individual strengths, resources, priorities, concerns, abilities and informed choices.

Center for Prevention and Wellness

With an aggressive approach, the Center for Prevention and Wellness, housed at Salish Kootenai College is working to improve the health of the entire community. The Native Women HOPE Project is a social-skills training intervention. We R Native is a comprehensive health resource for Native youth, by Native youth providing content and stories about the topics that matter most to them. The Tribal BEAR Project is a program of the Northwest AIDS Education and training Center, that helps provides free and anonymous HIV testing. Services are open to all.

The CSKT Victim's Assistance Program

Works with the tribal population and court system by assisting in obtaining orders of protection, with peer crisis counseling, referrals, legal advocacy, accompaniment to court proceedings, personal advocacy, financial assistance, support groups and community training.

MINERAL COUNTY

Health and Human Services Overview

Health Care Services

The Mineral County Hospital District (the District) is organized under the laws of the state of Montana as a nonprofit corporation and is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. The District appoints five of the nine voting Directors to the Board of Missoula Community Health Services, Inc., doing business as Mineral Community Hospital (the Hospital). The Hospital is a component unit of the District. The District provides approximately \$300,000 per year for operations and maintenance to the Hospital through a Hospital District Levy.

The Hospital is comprised of Mineral Community Hospital, Tamarack Health Clinic, and Mountain View Village. Mineral Community Hospital is a 25-bed acute care hospital, and Mountain View Village is an 11-room assisted living facility located next to the Hospital. The Tamarack Health Clinic provides primary and preventative healthcare, and maintains a mobile clinic serving St. Regis, DeBorgia and other west-end communities. A clinic building is under construction in St. Regis and will be open for services in 2012. With an employee base of 95, the hospital's annual salary and benefit payout in 2009 was \$3.5 million. The medical staff includes two primary care physicians and five physician

assistants. Visiting specialists include cardiology, general surgery and podiatry. It is the second leading employer in Mineral County, behind Tricon Lumber and Manufacturing.

MCH is the primary health care provider in Mineral County, the sole provider of acute care services, the sole provider of skilled and long term care (18 long term care beds) and the primary provider of outpatient and physician services. In 2011, MCH became the number one trauma-receiving center for critical access hospitals in the State, and number four for all hospitals in Montana. Located on the Interstate 90 corridor with some of the most dangerous driving conditions, including a mountain pass, the hospital regularly receives multiple trauma cases, but only has a three-bed emergency room and one operating room to provide care. The lab is trying to operate in less than half of the space it needs; storage closets have been converted to offices and the radiology supervisor office was relocated to a bathroom to make room for a CT scanner.

The Mineral County Hospital and the Mineral County Hospital District have developed plans for a complete renovation of its antiquated and rapidly disintegrating facility. Planning and development of financing of the first phase of this project is nearly complete and construction is expected to begin this year. The facility is anticipating the establishment of being designated a teaching health center/hospital under collaboration with the Pacific Northwest University of Health Sciences College of Osteopathic Medicine, further expanding its services and economic impact within the County.

SANDERS COUNTY

Health and Human Services Overview

The population of Sanders County is aging. Over 21% of the county population is age 65 or older. Many younger residents are leaving or expected to leave the county in search of employment. New residents of the county are primarily at or near retirement age. Healthcare is an important issue for Sanders County.

Medical

The Clark Fork Valley Hospital and Family Medicine Network, a not-for-profit community healthcare organization serves Sanders County. It was the leading private employer in Sanders County in 2010. The 16-bed, critical access hospital is located in Plains, Mt., where it also provides a fully-staffed primary care clinic and a 28-bed, residential long-term care facility. The hospital employs over 200 full-time and part-time staff members, including 21 professional service providers and 9 consulting specialists, with an annual payroll (2010) nearing \$9.8 million. In addition, CFVH provides primary care and rehabilitation services through its clinic in Thompson Falls and to the Eastern Sanders County Hospital District through its clinic in Hot Springs. A third primary clinic operating in Noxon, at the far western end of Sanders County, is scheduled to be closed due to the high cost of operations and sparse user population. The remaining medical facilities in Plains and Thompson Falls are anticipated to continue operating as they do today for the foreseeable future. Treatment for difficult or specialized medical conditions that cannot be treated by the Clark Fork Valley Hospital and Family Medicine Network is available outside the county in Kalispell, Missoula, Spokane or other medical facilities. Through cooperative care agreements, CFVH utilizes ambulance and A.L.E.R.T. helicopter services to transport urgent care patients to Missoula, Kalispell or Spokane hospitals. The hospital participates in the rural visiting physicians program and is connected through Vision-net to other hospitals and services throughout the area.

Its economic impact extends far beyond the wages it pays. Over 90% of its employees are Sanders County residents. An additional \$1.5 million is paid out to local vendors in the form of utility payments, leases, rentals and product purchases. This creates a direct economic impact within the county of at least \$50 million, assuming a minimal 5-times resulting

turn-over of the dollars within the community. Indirect benefits include the \$770,000 provided in the form of charity care by the hospital and 1070 in community service hours contributed by staff.

Looking to the Future

CFVH is committed to the future and is working on several fronts to improve service to the citizens in Sanders County. To help counter the negative impacts resulting from closing its clinic services in Noxon, it is collaborating with Sanders County Council on Aging to extend transportation services (van transports) to assure people throughout the County have access to medical care. CFVH has been an active partner with the Eastern Sanders County Hospital District in its efforts to raise funds for rehabilitation of the clinic in Hot Springs. The \$800,000 project is slated to begin construction in 2012, and the final product will increase the availability of primary care throughout that community and its surrounding area.

Ambulance Services are provided throughout the county by services in Thompson Falls, Plains, Hot Springs and Noxon. The County also hosts *Care Flight* and *Life Flight* air ambulance services (ALERT)

Social Services and Public Health

Clark Fork Valley Hospital employs a full time Mental Social Worker to assist with care as well as coordinating care through several agencies. The Sanders County agencies include: Sanders County Coalition for Families, Sanders County Community Mental Health Center, Sanders County Council on Aging, Sanders County Public Health/WIC, as well as local licensed mental health providers.

Sanders County and local economic development organizations will continue to support the expansion and/or improvement of healthcare services within the county by assisting with planning and funding. Such support may involve transportation initiatives that would provide service to local and regional medical facilities, expansion of home healthcare options and the identification, planning and funding necessary to provide medical services to underserved areas.

The Council on Aging

It is located in Hot Springs, and works in conjunction with the Polson Agency for Aging office. The Council on Aging is the umbrella for all senior centers in Sanders County. The Council on Aging is responsible for all meals at the senior centers, Meals on Wheels, home making services and Information and Assistance services. Active senior citizen centers can be found in the communities of Hot Springs, Dixon, Arlee, Ronan, Polson, St. Ignatius and Bigfork. The center serve as gathering place for senior events and celebrations, serve regularly scheduled meals, and hosts social activities.

There is currently an effort underway to expand the walking trail system in Thompson Falls and elsewhere within the county. There has been a very positive response to the availability of these trails with some individuals indicating that they have started exercising more as a result. The expansion of the trail system is expected to have a positive effect, over time, on the health of Sanders County residents that choose to use the trails with a resultant reduction in demand for some healthcare services.

WESTERN RURAL DEVELOPMENT REGION

WESTERN RURAL DEVELOPMENT REGION

Natural Resources and Energy Development

The utilization of natural resources for food, energy production and the creation of material goods is ultimately the basis for all economic activity. Historically the development of natural resources has involved their extraction from unsettled or underdeveloped lands and has been characterized by boom and bust cycles accompanied by environmental degradation and the uneven distribution or exportation of the wealth created. As areas became settled or developed those tendencies were countered as resource development was accompanied increasingly by conservation or sustainable management methods, local ownership or control and the regulation of exploitive trade practices. Within any given region economic stability is facilitated when its economic base, the wealth and material goods created by development or use of its natural resources, is sufficient to provide the goods and services required for all of its inhabitants.

The natural resources of the WRDR are varied and can be used and valued in various ways. For example, the forests of the region can provide firewood to heat our homes, wood products for commercial sale, biomass for energy production, habitat for big game animals, a scenic landscape that attracts tourists, a wilderness recreational experience and more while functioning naturally to maintain or improve soil, air and water quality. Like forests, most but not all of the WRDR's natural resources are renewable and capable of providing multiple, sustained economic benefits. That isn't to say, however, that they cannot be irreversibly changed, damaged or even destroyed by development. In addition, these various natural resources are environmentally linked with or embedded within each other. Coping with this complexity when making decision regarding developing individual resources requires balancing the various uses over both time and space to optimize their long term value and sustainability.

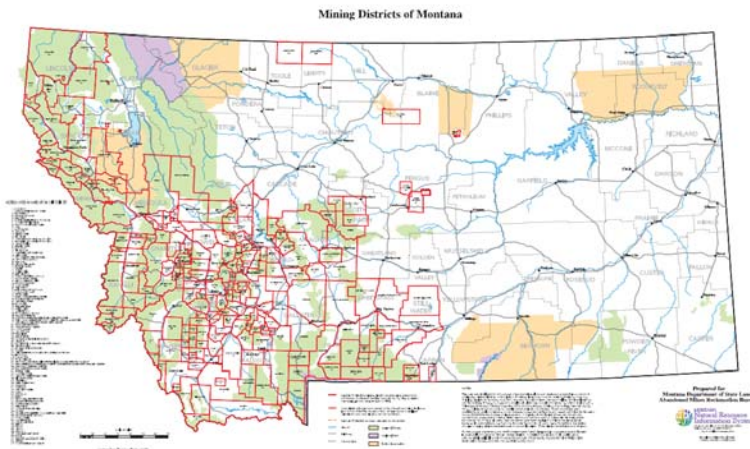
Like most other regions of the state the WRDR has experienced boom and bust cycles in the mining, manufacturing, agriculture and forest products industries that have rippled through its service industries and communities. A primary objective of this CEDS document is to identify strategies or actions that minimize those ripple effects and that utilize the region's natural resources in ways that produce stable, sustainable and sufficient levels of economic activity within the region. Based on experience it seems obvious that simply responding to current market demand will not achieve that objective. Subsequently, foremost among strategies proposed in this document will be those that conserve or sustainably manage resources, diversify ways in which they are used and maintain local control or influence over their development.

Natural Resource Development Conditions and Trends

U. S. Census data and survey data regularly compiled by the Montana Department of Labor and Commerce affords a general picture of conditions and trends in natural resource and mining related industries. The following tables summarize by state and/or county the most current data available for the relevant business sectors (based on NAICS). It should also be acknowledged that, like farming and livestock raising, development of natural resources also generates direct sale or use, barter and other economic benefits locally that are not captured by conventional measures of market activity. Examples include firewood, posts and rails, house logs, wild game and fish and wild foraged foods harvested from tribal, public and private land in the region that are not sold on the open market. The economic benefit of this production to residents of the WRDR is difficult to even estimate but it is likely not insignificant.

Coal Mining and Energy Production

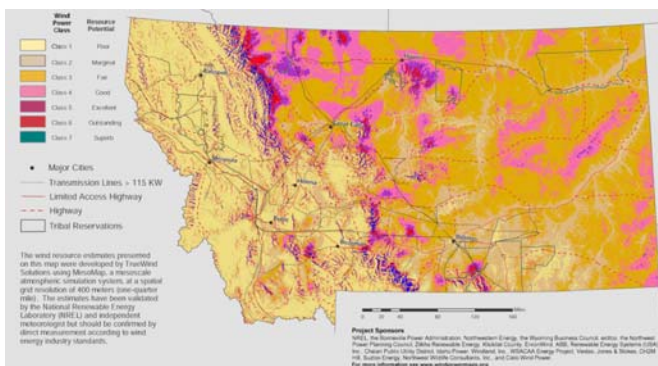
Much of Montana's mining activity takes place in western and southwestern Montana. The following is a graph that represents the state's mining districts.³³



- Historically, mining had a much larger influence on the region's economy, but has since declined due to changes in regulations and economic priorities.
- Mineral deposits are still prominent in counties such as Mineral and Sanders, but at this time, it remains relatively quiet in activity. Copper, gold, and silver are a few of the minerals have traditionally been mined in the area.
- Gravel, sand, and decorative stone are currently the predominant industry leaders.

Wind Power Production

As represented in the map below³⁴, Western Montana and Lake County Community Development Corporation's service area does not traditionally have high amounts of resource potential regarding wind power. Good to outstanding amounts of wind power reside east of the Rocky Mountain Front.



- Though wind power does not have much presence within the region, companies such as CORE Motion are leveraging opportunities to merge into the industry by building wind turbine applications in Ronan, MT

³³ Source: <http://nris.mt.gov/gis/gisdata/lib/downloads/ab45.pdf>

³⁴ Source: <http://nris.mt.gov/gis/gisdata/lib/downloads/windpower.gif>

-
- Indian Reservation**
- Flathead
 - Blackfeet
 - Fort Belknap
 - Fort Hall
 - Fort Kootenai
 - Chippewa
 - Crow
- Transmission Line*
Voltage (kV)**
- 100
 - 100 - 115
 - 115 - 220
 - 500
- *Campanella et al., 1996
Data of Environmental Quality and State data
- Wind Power Classification**
- | Wind Power Class | Resource Potential
W/m ² | Wind Speed
Average at 50 m
at 50 m
m/s | Wind Speed
at 50 m
m/s |
|------------------|--|---|------------------------------|
| 1 Marginal | 300 - 500 | 5.6 - 6.4 | 12.5 - 14.3 |
| 2 Fair | 500 - 600 | 6.4 - 7.2 | 14.3 - 16.1 |
| 3 Good | 600 - 800 | 7.2 - 7.9 | 16.1 - 17.6 |
| 4 Excellent | 800 - 1000 | 7.9 - 8.8 | 17.6 - 19.7 |
| 5 Superb | > 1000 | > 8.8 | > 19.7 |
- Wind power class is appropriate and based on a Weibull k value of 2.0
- Montana**
- Wind Power Resource Estimates**
- The wind power resource estimates were produced by TriMetWind Sources using their Mesowind system and National weather data. The map has been validated with available surface data by the National Renewable Energy Laboratory and wind energy meteorological consultants.
- U.S. Department of Energy
National Renewable Energy Laboratory
- 15 MAR 2005 14

	1998		2009	
Forestry, Fisheries, Hunting Support Services	Businesses	Jobs	Businesses	Jobs
Montana	411	1,695	396	1,127
Lake	15	42	11	25-30*
Sanders	25	60-70*	16	32
Mineral	9	12	4	4-6*
Forest Products Mfg.				
Montana	149	5,388	158	2,989
Lake	7	299	10	200-220*
Sanders	10	164	5	68
Mineral	2	50-60*	3	80-100*
Mining Operations				
Montana	281	4,878	314	6,044
Lake	1	?	1	?
Sanders	2	20-25*	6	42
Mineral	-	-	-	-

Source: <http://nr.is.mt.gov/gis/gisdata/lib/downloads/ab45.pdf>

Comparison of Non-Employer Natural Resource Related Businesses

	2002		2009	
Forestry and Logging Operations	Businesses	Receipts (\$1,000)	Businesses	Receipts (\$1,000)
Lake	45	2,355	31	914
Sanders	95	4,009	43	2,203
Mineral	*	*	14	389
Fishing, Hunting and Trapping Operations				
Lake	13	298	12	63
Sanders	25	1,139	20	889
Mineral	*	*	8	193
Support Services for Agriculture and Forestry				
Lake	33	702	40	951
Sanders	25	1,121	32	689
Mineral	*	*	7	342

* Sub-sector totals unavailable. Totals for Mineral County in 2002: 42 Businesses, \$1,574,000 in Receipts

Source: <http://nris.mt.gov/gis/gisdata/lib/downloads/ab45.pdf>

With the exception of the mining sector all other natural resource related businesses have shown significant decline over the periods shown. Growth in the mining sector is attributable to an increase in rock quarry and building stone suppliers while employment in the peat processing and precious metals mining industries has remained at a very low but stable level in the WRDR. Building stone demand has declined with recent declines in the housing market therefore additional growth over the near term in that sub-sector is unlikely. Conversely, precious metals prices are rising stimulating new speculation in that industry.

Businesses associated with fishing, hunting and other forms of commercial use of the amenities provided by the natural landscape of the WRDR have not declined as severely in numbers as the forestry, forest products and support services sectors but they have shown a significant drop in receipts. Most of these businesses are dependent on non-resident clientele and are discussed further in the section focusing on tourism. There are a few businesses in this sub-sector that specialize in wild harvested seed, botanicals or food products. When not harvesting on privately held lands these businesses are subject to regulation by CSKT or the public agency holding jurisdiction over the areas where they harvest. This industry sub-sector is relatively small and new but does seem to offer some potential for growth and for diversifying the economic base of the WRDR.

Despite frequent fluctuations in lumber prices and volatility in timber markets the forest products and related industries in the WRDR experienced steady growth and profitability from the 1950's into the 1980's. By 1990, however, the industry was in decline. Numerous studies, some specific to western Montana, have shown how both internal and external factors contributed to this boom and bust cycle and how it has affected forest industry dependent communities. Though concerns remain, after two decades of decline there are now signs that some stability is returning. Today, there are approximately half the numbers of forest product manufacturers in the WRDR as there were in 1990 including three mills with payrolls of more than 50. Though smaller in capacity a higher percentage of these are locally owned and operated. The forestry, logging and support services sectors of the industry have also restructured themselves to compete more effectively. Environmental restoration work has been a modest growth area over the past two decades that utilizes skills and equipment formerly needed for forestry operations. This probably accounts for the increase in support services businesses in the non-employer category. Payroll data also shows that in many cases industry wages in terms of constant dollars have increased though fewer individuals are now employed.

The forest products industry represented 40% of the economic base of western Montana in the late 1960's as measured by labor income. That measure dropped to about 2% in the late 1990's but was at 20% in 2006 representing about \$300 million of western Montana labor income in that year. Whether you look at the forest industry glass as half empty or half full the various forest industry sectors are still viable in the WRDR. They are currently maintaining a base level of productive output for both local and commodity markets and have demonstrated the potential to restructure or expand to meet increased demand for forest products or other environmental services. Given that the WRDR has abundant forest resources on both private and public lands a viable forest products industry will always be an important part of maintaining a diversified economic base. In addition, the more that those businesses are locally owned the more economic benefit will derive to the WRDR.

Another trend worth noting is the shift in emphasizing non-extractive uses of natural resources over extractive uses that has occurred over the past three to four decades. This shift in emphasis varies depending on land ownership and owner objectives with federal lands exhibiting the greatest shift toward amenity uses and maintaining natural ecosystem integrity while industry owned timberlands continue to focus on return on investment through either timber harvesting or divesting themselves of lands of high value for amenity or conservation uses. Management emphasis appears to fall somewhere between these two extremes on tribal and state owned lands while small private land holdings range across the spectrum depending on individual owner objectives. With the possible exception of precious metals mining there are no indications that current balance between extractive and non-extractive uses of natural resources in the WRDR will change significantly in the near term.

Energy Development Conditions and Trends

Reliable sources of affordable energy for the production and distribution of goods and services is critical to economic development. Sources of affordable energy are also critical to satisfying the basic needs for food, shelter and access to goods and services of human populations. To satisfy these two sometimes competing needs government policies at the federal, state and international levels have worked over the years to insure that energy is available and affordable. This has been accomplished through a complicated mix of investments, subsidies, incentives, cooperative agreements, trade agreements, land takings and regulations. To date this has accomplished the objective of keeping energy relatively plentiful and cheap in the United States but with similar high energy demand economies developing in the rest of the world and recent volatility in world energy markets it is likely that current levels of energy consumption in this country are not sustainable without significant increases in cost.

The WRDR has no significant fossil fuel resources and must “import” them to satisfy current needs for coal, natural gas, propane, gasoline, diesel and other petroleum products. There are limited practical alternatives to these resources at this time. The transportation sector is especially dependent on petroleum products.

The region has three investor owned large hydroelectric production facilities. AVISTA, a regional corporation based in Spokane, WA owns and operates the Noxon Rapids Dam generating facility and PP&L, a national corporation based in Pennsylvania, runs the Thompson Falls Dam generating facility. PP&L also owns and operates Kerr Dam on the Flathead River near Polson under a lease agreement with CSKT. The tribe is currently considering exercising an option to buy Kerr Dam. CSKT also owns a small hydroelectric generation facility on tribal lands and is exploring additional potential on other high gradient small streams.

The three large hydroelectric facilities are tied into the northwestern power grid administered by the Bonneville Power Administration (BPA). They buy electricity from and sell electricity to the BPA grid based on regional energy demand at rates that are renegotiated annually. Elected public service commissioners and citizen advisory committees are involved in these negotiations. Current capacity for generation of electricity in the WRDR is approximately 750 megawatts. Generating capacity far exceeds local demand and results in the WRDR being a net exporter of electricity.

A Co-Generation electric facility was constructed in Thompson Falls in the late 1990’s. It was designed to operate using either coal or biomass fuels but has never come fully on line due to problems associated with meeting air quality requirements and high power generation costs associated with importing coal and acquiring suitable biomass materials locally.

Small scale wind and solar facilities have been installed by private individuals within the WRDR and in some cases these are designed to feed electricity back into the grid when surplus energy is being produced. There is potential in this area to both augment local energy resources and reduce demand. Currently, however, the amount of electricity being generated or saved is not significant. In the related potential economic growth areas of alternative energy systems research, development, design and production there is one new company in the WRDR endeavoring to enter those economic sectors.

THE FLATHEAD INDIAN RESERVATION

Natural Resources and Energy Development Overview and Strategies

The Confederated Salish and Kootenai Tribes Natural Resource division collaborates with economic development and other agencies within the WRDR on natural resource projects as required. Forests and range lands cover most of the Tribal land base of 1.3 million acres. Lakes, primarily the south half of Flathead Lake, make up 75,480 acres of the Reservation and there are 4,000 miles of rivers and streams within the boundaries. Timber harvest and grazing leases and other land use fees are the second largest revenue generating activity on Tribal lands (\$1,235,947 according to a 2008 audit), with the Kerr Dam Hydroelectric Facility being number one (\$17,658,348; 2008 audit).

The Tribes have designated 91,778 acres on the western slopes of the Mission Mountains as a Tribal Wilderness and 59,169 acres in the Jocko drainage, and 34,901 acres in the Mill Creek drainage as primitive areas to be used only by Members and their families for respite, recreation, hunting, camping, etc. The Tribal Wilderness and remaining tribally administered water bodies, forest and range lands are open to non-tribal members by permit and are used for recreation and provide fisheries and wildlife habitat. Hunting by non-tribal members is limited to upland game birds and waterfowl

and is regulated by the tribe in conjunction with Montana Fish, Wildlife and Parks as is all recreational fishing on the reservation.

There are several tribally chartered corporations with enterprises in the area of natural resource and energy development as well as a number of tribal member entrepreneurs in those sectors. Natural resource oriented training and education at SKC, Tribal forestry and land management departments, environmental restoration, harvest and marketing of wild-crafted foods, financial and business consulting services are all part of the existing tribal infrastructure with the Tribe also being licensed to own or operate hydropower facilities and area utilities. Their Boulder Hydropower unit was the first to be “Green” Certified in the state. As noted in the Tribe’s 2010 CEDS report, past use of their natural resources was dominated by development for extractive purposes within the context of the surrounding region’s economy and a conscious shift is being made toward developing and integrating non-extractive uses with extractive uses in ways that are compatible with overall tribal objectives and traditions and that more directly benefit tribal members.

The Tribe’s 2010 CEDS report identified several areas within the natural resource and energy development sectors as potential growth areas and they have been actively exploring ways to take advantage of those opportunities.

Opportunities include expanding production of renewable energy and developing some of the known mineral resources. The latter is not favored by most Tribal members and is not part of the Tribe’s traditional land ethic. Steady demand for timber due to reductions in the supply available from federal and some private lands and for wild-crafted foods also represent potential growth areas.

The availability of venture capital and water and energy resources are key to successfully expanding economic activity in these areas as is finding ways to utilize by-products and regulating developmental activities to avoid environmental degradation. For example, the closures of Stone Container in Frenchtown and of the Plum Creek mill in Pablo create an opportunity to develop an integrated forest products manufacturing facility at the Pablo mill site that can add value to reservation timber through the production of lumber and engineered wood products, paper and biomass fuels. That would, however, require a major investment in mill infrastructure, new processing and pollution prevention technology along with sound business management and developing markets for a whole suite of products to be successful.

In 1908 Congress authorized construction of the Flathead Irrigation Project. Congress intended the project to serve 127,000 acres of Indian lands (Flathead Allotment Act of 1904). Its design and construction altered the natural flow and course of most of the streams on the Reservation and destroyed some of the fishery. Although the Project was justified as primarily serving the interests of Indians, it benefited non-Indians to a far greater degree. Without it many homesteads would have never made it and many did fail during the early years when the project was incomplete.

The Montana legislature established the Montana Reserved Water Rights Compact Commission in 1979 to help integrate reserved water rights into the state adjudication process. MCA 2-15-213. A federal reserved water right is created when a Treaty or other federal action sets aside federal land from the public domain. The water right then carries the priority date of the reservation of the land, even though the water for the land might not be put to use at that time. The Commission is charged with negotiating water rights “compacts for the equitable division and apportionment of waters between the state and its people and the several Indian tribes claiming reserved water rights within the state.” MCA 85-2-701(2) and 702.

The Confederated Salish & Kootenai Tribes (“Tribes”) and the Compact Commission have provisionally agreed to a water rights settlement (the “Compact”), and intend to ask the Montana Legislature to ratify it during the 2013 session.

Congress and the Tribes must also give final ratification to the Compact. MCA 85-2-702. Once the sovereigns have approved it, the Compact must be approved by the Montana Water Court.

Natural Resource and Energy Development Strategies - Flathead Indian Reservation

For a summary of Natural Resource Strategies for the Flathead Indian Reservation, please refer to the Confederated Salish and Kootenai Tribes Comprehensive Resources Plan Volume I (1996); refer to <http://www.cskt.org/tld/docs/compplanvolume1.pdf>. Additional commentary is also available in the Confederated Salish and Kootenai Tribes Comprehensive Economic Development Strategy; prepared by S & K Holding Company in 2010. The Implementation Plan reflecting projects and objectives from the above referenced CSKT CEDS is included in Appendix B of this document.

LAKE COUNTY

Natural Resources and Energy Development Overview

The bulk of Lake County lies within the exterior boundaries of the Flathead Indian Reservation and there are limited amounts of natural resources available for development on private, state and federal lands within that area. There are small woodlots, forested ranch lands and tree farms that do produce timber and post and pole material for their own use or for local and regional mills on an opportunity basis. There are several local wood products manufacturers who sustain themselves primarily on such sources of wood.

Significant areas of forest and related natural resources are located north and east of the reservation. The largest of these is the lower Swan River valley which has some of the most productive timberlands in northwestern Montana. These areas are largely part of the Flathead National Forest but also include the Swan River State Forest, significant small private in holdings and large tracts of timber industry owned lands. Timber harvest continues to be the primary extractive use of these lands though at less than historic levels. These lands are also highly valued for water supply, hunting, fishing and other recreational uses. Other than as a potential source of biomass fuels there is no obvious potential for energy development on these lands.

The energy requirements of Lake County are primarily met with Northwestern Power Grid electricity distributed by the CSKT managed utility, Mission Valley Power. An exception is the Swan River valley portion of the county which is served by both Flathead and Missoula Electric Cooperatives.

Natural Resource and Energy Development Strategies - Lake County

The following lists strategic priorities to be considered over the next five years related to natural resources and energy development in Lake County.

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Foster an ongoing relationship and collaboration with local power providers	Help insure reliable, afford-able energy for county residents and businesses	Stable, affordable sources of energy are essential to maintaining economic activities and quality of life in the region

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Support the development and use of non-fossil fuel energy resources locally	Reduce dependency on “imported” fossil fuels; create a market for local biomass fuels	Renewable and alternative energy development is a potential economic growth area with associated environmental and economic benefits; benefits are multiplied if produced with local resources and used locally
Maintain contacts with local natural resource industry groups and support collaboration with other interest groups and public and tribal land managers	Facilitate business retention and expansion in the various natural resource industry sectors	Reduces conflict and litigation over land use and encourages business development where opportunities and economic benefits will be the greatest
Continue to provide contact info, business training and other resources to local start-up enterprises	Increase the success rate and profitability of start-up natural resource and energy development based businesses.	Increased local employment and economic activity with the potential to bring new revenues in to the county
Continue to promote impact planning and industry management practices that restore, conserve or sustain the area’s natural resources	Insure that natural resource and energy development activities do not compromise or destroy existing benefits provided by the natural environment	Improves the long term viability of both extractive and non-extractive uses of natural resources while increasing the amount of work and employment locally; maintains a higher quality of life for residents

MINERAL COUNTY

Natural Resources and Energy Development Overview

Forestry and the forest products industry are an important part of the heritage and economic base of Mineral County. Over 84% of the County is in timberland representing a total of 662,907 acres, of which, 554,775 timbered acres (84%) are National Forest, 91,141 timbered acres (14%) are in private ownerships, and the remainder in State and other public ownerships. Timber harvest in the County across all ownerships equaled 41 million board feet in 2004, just over 5% of the total State harvest in that year. As in most of western Montana where mountain forests are in a mix of public and timber industry ownership an extensive system of roads is in place and considerable investment has been made since the 1950’s in sustainable timber production. However, changes in industry practices coupled with changes in the forest products markets over the past two decades resulted in significant downsizing and restructuring in the local forest products industry. Even so, forestry and forest products remain a major component of Mineral County’s economic base.

Mining is also an important part of the heritage of Mineral County but it ceased to be important to the economic base of the county when nearly all of the areas mines went out of production in the early 1900’s. There are currently 124 mining claims on file in the county and it is possible that sufficiently high prices for copper, gold, silver and other precious metals

may stimulate new mining activity. New requirements to reclaim mined lands and other costs associated with production, however, make this unlikely in the near term.

Mineral County is dependent on outside sources for nearly all of its home, business and manufacturing energy needs. Currently power is distributed to the area by Northwestern Energy and the Missoula Rural Electric Cooperative. Northwestern Energy provides both electric and natural gas to the central and western portions of the county while the Missoula Rural Electric Cooperative supplies electricity to the eastern third. There may be potential for small scale hydropower or generation of power in localized power plants using biomass fuels in Mineral County though there have been no specific proposals for this type of energy development. As with mining it will probably take a significant increase in the price of energy to make any such proposals feasible.

Other uses of the area's natural resources including domestic and agricultural water supply, hunting, fishing and recreation also contribute to diversifying Mineral County's economic base.

Natural Resource and Energy Development Strategies - Mineral County

The following lists strategic priorities to be considered over the next five years related to natural resources and energy development strategies in Mineral County.

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Foster an ongoing relationship and collaboration with local power providers	Help insure reliable, afford-able energy for county residents and businesses	Stable, affordable sources of energy are essential to maintaining economic activities and quality of life in the region
Support the development and use of non-fossil fuel energy resources locally	Reduce dependency on "imported" fossil fuels; create a market for local biomass fuels	Renewable and alternative energy development is a potential economic growth area with associated environmental and economic benefits; benefits are multiplied if produced with local resources and used locally
Maintain contacts with local natural resource industry groups and support collaboration with other interest groups and public land managers	Facilitate business retention and expansion in the various natural resource industry sectors	Reduce conflict and litigation over land use and encourage business development where opportunities and economic benefits will be the greatest
Continue to provide contact info, business training and other resources to local start-up enterprises	Increase the success rate and profitability of start-up natural resource and energy development based businesses.	Increased local employment and economic activity with the potential to bring new revenues in to the county

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Continue to promote impact planning and industry management practices that restore, conserve or sustain the area's natural resources	Insure that natural resource and energy development activities do not compromise or destroy existing benefits provided by the natural environment	Improves the long term viability of both extractive and non-extractive uses of natural resources while increasing the amount of work and employment locally; maintains a higher quality of life for residents
Develop access to three-phase power for commercial property in Mineral County	Infrastructure and expansion for county and private property sites. Recruits new businesses	Allows existing businesses to expand and enhances the potential for new business and jobs

SANDERS COUNTY

Natural Resources and Energy Development Overview

As with the other parts of the WRDR the utilization of natural resources to economic benefit is a significant component of the overall economy in Sanders County. Existing water, forest and range land resources have the potential to sustain levels of energy, food and material goods production that can be either used locally or exchanged outside the region to provide the goods and services needed by its inhabitants. Volatility in regional, national or global markets and changes in industry standards or practices, however, can undermine economic stability at the local level.

With a history of public and private timberland development like Mineral County's the forestry and forest products industries in Sanders County also experienced a major downsizing and restructuring over the past two decades and are only starting to rebuild. Nonetheless they contribute significantly to the economic base of the county. The abundance of publicly accessible mountain forests and streams also continue to provide non-extractive and amenity natural resource uses to economic benefit for the area.

Similar to Mineral County, Sanders County has a history of mining activity and a large number of inactive mining claims. One large mining industry company, Revett, has proposed a major mine development in western Sanders County and has provided some employment in the area for over a decade as they have done exploratory work and collected data needed for mine construction and the permitting process. A preliminary impact study has been done and public meetings have been held with the proposal generating a lot of controversy due to concerns over potential impacts and collateral affects to environmental values and local communities. Projected economic benefits include 200 mostly high paying jobs and increased services required of local businesses over a 30 year estimated project lifespan. The proposal is currently under review by regulatory agencies.

With two large investor-owned hydropower generating facilities Sanders County has in place energy development that is benefiting the local economy with jobs, taxes and other revenues associated with their operation. There has been recent interest from the energy industry in reviving the Thompson Falls CoGeneration facility with the possibility that this will create a need for biomass fuels from the surrounding area in addition to the usual economic benefits accompanying large local businesses. A Thompson Falls school power plant is also in place that is designed to burn biomass fuels. Thompson Falls is also a terminal point for Phillips-Conoco's Yellowstone Pipeline with oil storage facilities east of the downtown area. It appears that energy development will constitute a significant portion of the Sanders County's economic base at least for the near term.

Natural Resource and Energy Development Strategies - Sanders County

The following lists strategic priorities to be considered over the next five years related to natural resources and energy development in Sanders County.

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Foster an ongoing relationship and collaboration with local power providers	Help insure reliable, afford-able energy for county residents and businesses	Stable, affordable sources of energy are essential to maintaining economic activities and quality of life in the region
Support the development and use of non-fossil fuel energy resources locally	Reduce dependency on "imported" fossil fuels; create a market for local biomass fuels	Renewable and alternative energy development is a potential economic growth area with associated environmental and economic benefits; benefits are multiplied if produced with local resources and used locally
Maintain contacts with local natural resource industry groups and support collaboration with other interest groups and public land managers	Facilitate business retention and expansion in the various natural resource industry sectors	Reduces conflict and litigation over land use and encourages business development where opportunities and economic benefits will be the greatest
Continue to provide contact info, business training and other resources to local start-up enterprises	Increase the success rate and profitability of start-up natural resource and energy development based businesses.	Increased local employment and economic activity with the potential to bring new revenues in to the county
Continue to promote impact planning and industry management practices that restore, conserve or sustain the area's natural resources	Insure that natural resource and energy development activities do not compromise or destroy existing benefits provided by the natural environment	Improves the long term viability of both extractive and non-extractive uses of natural resources while increasing the amount of work and employment locally; maintains a higher quality of life for residents

TECHNOLOGY-BASED INDUSTRIES:

WESTERN RURAL DEVELOPMENT REGION

Current Situation

In order for technology-based companies to flourish, they require access to first class communication systems that counter the disadvantages of locating in rural areas and outside of their urban, and/or global, markets. The regional priority to encourage the development of such critical infrastructure requires a discussion prior to needs to being met. There are three independent local exchange telephone companies (ILEC's) each serving separate areas of Lake County, two cable television companies providing services in and around the major town sites and three cellular mobile telecommunications companies that provide telecommunications services throughout Lake County. All three ILEC companies have digital switches and offer a variety of custom calling features as well as digital subscriber lines (DSL) for Internet access. Fiber Optic cable is installed and available for selected high capacity services in most of the town sites in the county. In 2005, the Montana Public Service Commission approved, and subsequently implemented, an expanded local calling area to include areas covered by Access Montana, formerly known as Ronan Telephone Company and Blackfoot Telephone Cooperative. Currently, expanded area calling service has been implemented to extend ILEC calling from the northern boundary of the Flathead Reservation, south throughout western Montana. Calling to and from cell phones is provided on a flat rate basis similar to most of America.

Voice Communications

Wireless technology is overtaking the effectiveness of land lines and has the capability of replacing most of the functions traditionally provided by the local telephone companies. There is an unmistakable trend to replace residential land lines with the portable, mobile, easy-to-use cell phones.

The voice offering by Cable TV providers is Voice over IP, or VoIP. With Voice over IP, any service provider with a strong Internet service and the proper switching arrangement can offer voice services in direct competition to traditional telephone. In Lake County, VoIP is currently only offered in the town site of Polson and along the shore of Polson Bay and the East Shore of Flathead Lake. In Sanders and Mineral Counties, the ILEC (Blackfoot Telephone Cooperative) remains the only source for landline voice services. Independent Local Exchange Carriers (ILEC's), Blackfoot Telephone Cooperative, Hot Springs Telephone Company and Ronan Telephone Company are being forced to expand their data service offerings due to competition from the cable and cellular companies.

Unfortunately in rural America, the overall cost of Internet access, even to the ILEC's, remains high when compared to urban centers. In the urban core in places like Seattle, wholesale Internet Protocol (IP) service can be purchased from a variety of carriers at rates as low as \$10 per Megabyte (MB) per month. In Western Montana trade center cities such as Missoula, several carriers offer this type of wholesale service at rates that vary from \$35 to \$50 per MB per month. In communities in Lake County, where only one carrier is available to provide wholesale IP service (such as St. Ignatius, Ronan or Polson), wholesale IP services can cost between \$200 to \$300 per MB per month. This higher cost and reduced service potential for IP services significantly handicaps rural communities in Lake County from attracting many businesses that require high quality access to the worldwide IP networks. Affordable access is the key to many of the benefits available with direct connection to Internet, however rural America has suffered from a lack of competition for IP services resulting in rural communities paying higher fees for lower speed IP services than is available in the urban areas of America.

The American Recovery and Reinvestment Act of 2009 (ARRA, often referred to as the “Obama Stimulus Bill”), included a \$7 Billion appropriation for rural telecommunications service enhancement. The Federal Department of Commerce was allocated \$4 Billion of these funds and created the “Broadband Technology Opportunity Program” (BTOP) to construct “middle mile” data facilities in unserved and underserved areas. The overall intent of the BTOP program is to provide competition for high speed Internet access with the goal of driving down access costs and increasing rural bandwidth availability. This should encourage economic development.

In Western Montana, the BTOP program awarded \$13.5 Million grant to Access Montana, formerly known as Ronan Telephone Company, to build approximately 300 miles of fiber optic “middle mile” infrastructure along the major corridors in Northwestern Montana. This effort is known as the “Montana West” project. When complete at the end of 2013, the Montana West network will operate a state-of-the-art fiber network being placed from Whitefish along Highway 93 into Missoula connected to a high capacity 10MB leased connection to Seattle.

The “Health Information Exchange of Montana, Inc. (HIEM) received a \$15 Million award from the FCC Telemedicine pilot program in 2005 to connect 8 rural hospitals in Western Montana to the regional medical centers in Kalispell and Missoula. Ronan Telephone Company has made an arrangement with HIEM to cooperate in the provision of the above described network. The resulting expanded and enhanced broadband capabilities will facilitate cutting edge telemedicine and improved healthcare delivery to rural communities throughout the western Montana region.

A challenge that remains is bringing competitive service options to the residents of Sanders and Mineral counties. An additional challenge remains to create high capacity distribution facilities to bring the benefits of competitive IP telecommunications to rural as well as town site areas of the region. The remote area of Sanders County in the Hot Springs area remains unserved for cellular service. AT&T has negotiated a site for a cell tower near Hot Springs to serve the Little Bitterroot valley; at the time of this writing, has not implemented this plan.

The development of technology industries is a priority throughout the region, and each County, and the Tribes has the opportunity to help develop and support these industries in such a way as to create good paying jobs and expand the tax base.

The Confederated Salish and Kootenai Tribes own many prosperous enterprises, which are designed to help carry out their vision of a diverse and self-sufficient economy. Technology has been a major part of this vision, wherein, S&K Technologies, Inc. has grown into a company employing over 300 people. Offices and project sites are located across the county. The following information was contributed via the Confederated Salish and Kootenai Tribes Comprehensive Economic Development Strategy³⁵

S&K Technologies, Inc.: S&K Technologies, Inc. was established in 2005 and was structured as a holding company in order to create new businesses within its core business categories. SKT is a section 17 chartered organization. SKT offices are located in St. Ignatius, MT, 22 miles south of the Tribal governing headquarters in Pablo, MT. Under the purview and management of SKT and the SKT Board of Directors are:

S&K Technologies, Inc. - SKT was established in 1999. The company provides information technology services and repair of aircraft parts to the Air Force and IT services to NASA. SKT graduated from the SBA 8-A program in 2006 as one of the first companies to graduate early based on

³⁵ Confederated Salish and Kootenai Tribes Comprehensive Economic Development Strategy; prepared by S&K Holding Company, 2010

income. SKT offices are located in St. Ignatius, MT at the offices its parent company, SKT. The company also has branch offices in Warner Robbins, Georgia, Dayton, Ohio, Bremerton, Washington, Houston, Texas, and Anchorage, Alaska.

S&K Aerospace, Inc. (SKA) - SKA was formed in 2005 to conduct repair work for the Air Force. It is currently certified through the SBA's 8-A program. SKA's offices are located in St. Ignatius, MT, at the offices of its parent company, SKT.

S&K Global Solutions, LLC (SKGS) - SKGS was formed in 2006 under SKTH and is an IT company that does GSA contracting. SKGS's offices are located in St. Ignatius, MT at the offices of its parent company, SKT.

S&K Electronics (SKE): SKE was established in 1985. SKE is an electronic assembly plant and graduated from the SBA 8-A program with national recognition in 1999. The company employs 90 people and is located in Pablo, MT, which is approximately 2.5 miles north of the Tribal headquarters.

Technology can be a great "equalizer" for rural areas. The same technology that allows companies based in the United States to employ the services of citizens and companies in other countries can be brought to bear to create jobs and employ qualified residents of rural areas. Although there are remote areas within the region that are not well-served by broadband technology, much of the more populated areas enjoy reasonable access. The Sanders County Community Development Corporation has proposed that a Sanders County Technology Initiative (SCTI) be established to examine the feasibility of creating a rural technology center in Sanders County. The center would be used to demonstrate that technology-dependent work that can be performed remotely can be accomplished successfully in a rural area that could then be expanded within the other two counties.

This would be done by partnering with employers to undertake proof-of-concept or pilot projects with specific goals and measurable objectives. Ultimately, the intent would be to provide training, create jobs and provide permanent employment at the center working with employers that are remotely located. The center would contain the appropriate technology (e.g. computers, broadband access, conferencing capability, etc.), a combination training and conference facility and office and/or incubator space, some of which could be rented by local remote workers or entrepreneurs. The initial implementation would necessarily be on a small scale, well under 2,000 sq. ft.

The existence of technology centers in the Counties would also be complementary to efforts to promote tourism and to encourage new residents and economic activity by attracting the "creative class" referred to in the studies referenced in the Tourism section. The creative class includes individuals employed in the fields of science and engineering, architecture and design, the arts and music and entertainment. These individuals are likely to be attracted to a community with a technology center and typically generate new ideas and new technologies that encourage job creation.

Approximately 80% percent of Sanders County residents and 60% of Lake County residents responding to recent county-wide surveys indicated that the importance of technology to creating future jobs in the county was important, very important or essential.

The following lists strategic priorities to be considered over the next five years related to technology based industries in the Western Rural Development Region:

ACTION	OBJECTIVE	POTENTIAL BENEFITS/IMPACTS
Support the continued development of fiber and other technologies that will maximize the potential for affordable access to internet and broad-band services, as they are developed, that are especially critical to the success of our technology-based businesses	Work with MT Broadband Project to identify areas that lack coverage or where the lack creates barriers to growth or success of any business potential; work with providers to advise of such barriers and promote solutions by those willing in to invest in such solutions	Lack of affordable and/or access to modern technologies puts companies at a competitive disadvantage in national and global markets and may prevent both the expansion and sustainability of locally established businesses and the ability of local communities to attract new and/or relocating businesses that could create good-paying jobs in our rural communities
Complete feasibility studies related to the development of “technology” parks throughout the region that are accessible by a variety of small businesses engaged capitalizing on, or reliant on, high capacity internet/broadband services	Support the growth of cottage industries and telecommuters that rely on excellent access to these services as a basis for developing/maintaining their businesses	The growth of the population in the “over 50” category and retired professionals opens potential for a growth in a variety of business models, including consulting and telecommuting. Technology parks that assure access to high capacity services, as well as office and conference space, opens the doors for such entities to emerge and the potential for offering ongoing training of those with the capacity to start or grow such businesses
Support the development of businesses involved in “green” energy industries or those deploying new technologies, such as those of Core Motion, Inc.; and TTR, LLC	Identify, expand, recruit businesses exploiting new, cutting edge technologies that hold promise for future growth and employment in the region	Creates a high potential for diversifying our economic base with growth industries that have potential as the “industries of the future”, thus helping to stabilize our economy and assure ongoing, stable employment for our citizens in the future
Develop sources of capital for these emerging businesses through: increasing local revolving loan funds; partnering with established lending institutions; facilitating access to “angel networks” or other investors.	LCCDC and its partners will look to increase access to capital throughout the region, through development of its RLF; partnership with US Treasury/CDFI; and cultivating relationships with banks and investor networks	Capital support for emerging technologies is critical to reestablishing a manufacturing base in the Country. The region has significant opportunity to grow its economy; diversify its traditional base; and develop sustainable access to jobs for its citizens with companies well-grounded in the future rather than the past
Work with schools and institutions to encourage the development of work force training programs that will assure the availability of a skilled workforce for these emerging businesses	Maximize communication between the business community and educational institutions to promote development of training programs that fit the needs of those businesses; Expand use of the BEAR program as a tool for communication.	The development of ongoing and facilitated discussions between business and education providers optimizes the opportunities for developing a workforce that meets the needs of these changing/emerging businesses.

TOURISM

WESTERN RURAL DEVELOPMENT REGION

WESTERN RURAL DEVELOPMENT REGION

Tourism Overview

Tourism is regarded in a special way in the region. Within the three counties and reservation's geographic boundaries, there are snow-crested mountain peaks, numerous reservoirs, and the country's largest fresh water lake west of the Mississippi, major systems of rivers and streams and great opportunities for wildlife viewing. Tourists and visitors are welcomed to enjoy a wide range of activities including hiking, fishing and guided horseback trips and camping, however, are asked to visit in a way that is respectful to the people and cultural sites of the Confederated Salish and Kootenai Tribes; respectful of the land, its creatures, and environment; and respectful of future generations who will live in this same beautiful area.

Tourism, as an industry, is particularly important to any community richly endowed with natural resources and attractions, but lacking in industrial and technical employment opportunities. Today, that might describe the region as a whole. The tourism industry, one of region's five major industries, has shown continual growth and promises to become more important to the area's economic well-being in the future. The economic impact of the tourism industry is difficult to measure accurately because of its diversity that stretches from the obvious campgrounds, motels, service stations and supermarkets and then filtering to retail businesses, art galleries and real estate sales. The region has historically participated in the tourism industry from the sidelines, as a "pass through" area for visitors headed for such destinations as Glacier National Park. The area has not been vigorously promoted as a destination stop. Thousands of visitors journey along the I-90 corridor from points West, through Mineral County, along the Clark Fork and Flathead rivers, in Sanders County, the shores of Flathead and Swan Lakes and past the Mission Mountains and the Bob Marshall Wilderness areas in Lake County, as they drive the highway corridor between Yellowstone and Glacier National Parks, yet few stop to enjoy the vast recreational opportunities. Dozens of smaller lakes, hundreds of miles of rivers, streams and trails, and excellent public golf courses are also available for visitor's use.

In addition, there are several excellent museums depicting the rich history of the area. Recreational activities include boating sailing, fishing, hunting, photography, hiking, snowmobiling, painting, cross-country skiing, camping, backpacking, riding – the list of outdoor activities is endless and the unused potential is enormous.

The Mission Mountain Range is the largest of the many ranges surrounding the valley, and site of the Tribal Wilderness Area. Areas not included in protected cultural sites offer incomparable hiking, backpacking, mountain climbing and wilderness camping. Fees from recreation permits, required for use of Tribal lands, help to maintain the wilderness in its pristine state. These varied resources and activities give the region, the reservation and individual community's unique personalities. Working together for the betterment of the tourism business will continue to enhance and preserve this uniqueness.



Harvest Festival – Ronan, MT Summer 2012

Annual events and fundraising are at the heart of each WRDR's rural community's summer calendars. In addition to providing great family entertainment, these events are often at the core of community values and provide the catalyst to showcase a community need and the financial requirements.

The *Economic Review of the Travel Industry in Montana* (University of Montana, Institute for Tourism and Recreation Research or ITRR) shows that non-resident travel to Montana has steadily increased over the past decade (from 8.9 million in 1997 to 10.7 million in 2007, an increase of 20%). Mineral Count is the most frequently used entry point to the state. Visitors who enter the state eastbound on I-90 makeup 15% of the total number of non-resident visitors to Montana. When you consider that 10.7 million non-resident visitors came to Montana, 1.6 million non-resident visitors travel through Mineral County, alone. This is about double the percentage of the next two most frequently used entry points (8%) enter via I-90 from Wyoming and 7% enter via Highway 20 in the West Yellowstone area). The ITRR estimated that only about 1% of non-resident visitors to Montana passing through that corridor spent at least one night in Mineral County, itself; however up to 10% of those were visiting Flathead County and/or Glacier National Park, which means they likely traveled through portions of Sanders and Lake Counties to get there. If other partners in region could capture just 1%-2% of the \$297,092,216 expended in Flathead County, it would represent an additional \$3 million to \$6 million to the various communities represented in this document.

Overall, recent studies suggest that regions such as this, endowed with natural beauty and outdoor amenities, can leverage these assets to promote tourism and to attract creative workers seeking a better quality of life, thereby encouraging new residents, new business activity and economic growth. It is our collective intent to increase our focus on tourism as a means of economic development.

Arts and Culture

Lake County and the Flathead Indian Reservation are home to six museums:

- St. Ignatius Mission Church
- Flathead Historical Museum and Miracle of America Museum in Polson
- The People's Center in Pablo
- Ninepipes Museum of Early Montana, south of Ronan
- National Bison Range Visitor Center in Moiese
- Garden of the Rockies Museum in Ronan

Additionally, a wide range of private-enterprise art galleries are scattered throughout the region. Mission Valley Friends of the Arts helps to support the live theatrical performances of the Port Polson Players, based at the John Dowdall Theatre in Polson. There are a wide range of community festivals and fairs in the region celebrating our cultural, agricultural and historical heritage; two major pow-wows; rodeos; classic car events; shooting tournaments; cherry and farm stands and farmers markets and music festivals and concerts.

The region is home to a sizable community of artists. Many painters, sculptors, musicians, potters and others labor unrecognized throughout the region. The Sandpiper Gallery, located on Main Street in Polson, is a non-profit community organization designed to promote fine art and artists in Lake County. Arlee hosts a gallery and cultural center to showcase and promote local artists and cultural events. Sanders County hopes to establish an “Arts Center” in Sanders County that would serve to bring these artists together in a way that would encourage them to open their art to the public, allow them to collaborate with other artists and perhaps provide training for future artists.

Outdoor Recreation

Recreational opportunities abound in the region. To name a few:

- Alberton Gorge Recreation Area
- Hiawatha Bicycle Trail
- Flathead Lake
- National Bison Range
- Ninepipes Wildlife Refuge
- Mission Mountain Wilderness Area
- Bob Marshall Wilderness Area
- The Clark Fork and Flathead River Corridors
- Cedar Creek to Trout Creek Interpretive Loop
- Mineral County West-end Cross Country Ski Trails
- Seely Lake Cross Country Ski Trails



There are a plethora of golf courses, baseball and soccer fields, playgrounds, picnic areas, fairgrounds, parks, campgrounds and hiking areas.

River Recreation

Overall, recreational floaters in Mineral County accounted for 24,000-26,000 use days in 2008. Of particular note is the Alberton Gorge, a 20-mile section of the Clark Fork River west of Alberton. The Gorge is well known for its class III/IV whitewater and beautiful scenery. Easy access via I-90 and the favorable float conditions all summer long contribute to high visitation. Based on FWP estimates of use, Alberton Gorge can draw more than 25,000 recreationists during the summer season. Floaters, including 17 authorized commercial outfitters, come from western Montana, Idaho, and Eastern Washington, making the Alberton Gorge a regional destination. The most popular put-in site is Cyr Fishing Access, where a large boat slide helps floaters get to the water. Tarkio Fishing Access Site is the most popular take-out site and it features a vehicles ramp for retrieving boats.

The Clark Fork and Flathead Rivers, and the Alberton Gorge section of the Clark Fork, are very popular for anglers, whitewater boaters, and recreational floaters alike. Montana Fish, Wildlife, and Parks (FWP) manage over a dozen fishing access sites that provide public access to the rivers in Sanders and Mineral Counties. Tribal FWP manage fishing

and hunting permits and access to hiking, camping and other sites on the Flathead Reservation, for which permits are required.

Snowmobiling and ORVing

The heavy snowfall in western Mineral and Sanders Counties support popular snowmobile trail system. Some trails form loops within Montana while others cross state lines and connect with trails in Idaho. Winter conditions determine the quantity and quality of snowmobiling opportunities. Deep snows in recent years have contributed to a steady increase in the number of riders coming to the area. During the 2008 winter snowmobiling season, 8,500 recreationists used the trail systems in Mineral County. People on about 3.6% of the 1.4 million recreation visits to the Lolo National Forest report participating in ORV use. Much of that use occurs in Mineral County.

Other Activities and Opportunities

The Confederated Salish and Kootenai Tribe has casinos with Class 2 gambling at its Gray Wolf Peak Casino location and its resort on Flathead Lake, which also offers lake tours, a full marina and a variety of boat and lake-related rentals. The Sanders County Community Development Corporation has established a committee to focus specifically on the promotion of tourism within their county. The committee has undertaken a number of tourism-oriented activities. Supported by local businesses and individuals, Tour 200 has been organized as an initiative to encourage travel and tourism along Highway 200 and intersecting loop routes. Bicycle Rides Northwest, a long distance bicycle touring group, has for the first time entered Montana and been hosted in Thompson Falls, the county seat. There is considerable interest in expanding this type of activity to include loops that intersect in Mineral and Lake Counties; and to develop agri-tourism type tours that can be completed on bikes or other means, utilizing our small farms for both touring and camping. A tourism committee of the region will be explored to help plan, guide and promote events that can provide a common benefit to all partners. Ecotourism is defined as leisure travel that provides tourists with an educational and adventurous experience visiting complex ecosystems and their associated cultures and traditions. Ecotourism should have a minimal impact on both the environment and the culture. Ecotourism should inform tourists about what's needed to sustain the environment they're visiting, and should also help local populations understand the importance and value of their home. Ecotourism can also help foster a sense of environmental stewardship by encouraging travelers to be mindful of wasting resources and polluting the environment. Ecotourism can also help local economies by generating revenue and jobs, which further encourages the local population to preserve its environment. Development of a good ecotourism operation will strive to support the community and encourage travelers to be culturally sensitive by training and employing local people and by purchasing local supplies and services to further stimulate the economy. With time, the standards for a good ecotourism will be established and both travelers and the industry will be aware of what constitutes an ecologically and culturally sensitive operation.

ACTIVITY	OBJECT	BENEFIT/POTENTIAL IMPACT
Develop a regional tourism committee, including participants from CSKT, Lake, Mineral, and Sanders Counties, to consider regional opportunities and planning	Bring together participants from CSKT, Lake, Mineral, and Sanders Counties in the development of tourism planning that takes place within the Reservation and assures awareness of all activities in adjacent areas	Regional participants are provided a means by which to comment on the development of tourism-related projects by non-Tribal entities that may be perceived to adversely affect CSKT culturally protected areas; and support for several regional initiatives is developed and promoted by all concerned
Develop several tourism projects that can be coordinated within the region that can benefit the entire region	Develop a series of “trails” or “courses” in the region that may include such things as biking, river rafting, running, agri-tourism, cultural/heritage sites (museums) or other activities that could grow into a regional series that attracts groups	One or two annual events that are coordinated within the region can promote the region as a whole, while favorably impacting each of the communities within the region
Maintain a list of key events, festivals and pow-wows throughout the region on the website, both for information and as a means of promoting the region’s partners as a “destination” rather than just a gateway.	Promote reasons for tourists to “stay one more day” in the event area	Increased expenditures of tourism dollars in local economies
Support local tourism initiatives throughout the region by providing assistance with planning, logistical, funding and other forms of support	Create awareness of economic impacts related to tourism-related events; find ways to support efforts	Increase economic viability of our service industries on a year-round basis; extend the current “summer” season for tourism



Bicycle Rides Northwest, a long distance bicycle touring group, has for the first time entered Montana and was hosted in Thompson Falls, the county seat. The group stayed in Thompson Falls on their first evening out and proceeded the next day across Highway 200, then onto Highway __, where they took a travel break in the town of Charlo before heading north on Highway 93 to Polson where they spent the evening. Communities along their route worked with the Bicycle Rides Northwest planning team to provide entertainment, special events, an ice cream social and opportunities to enjoy the natural beauty of each community.

5. Vision – Where do we want to be?

MISSION:

To enhance the quality of life and economic well-being of all residents of Western Rural Development Region and the Flathead Indian Reservation

VISION:

The partners of the Western Rural Development Region are committed to the continuing development of a coalition that is based on trust, mutual respect for differing opinions, ongoing monitoring of voiced needs from and support for our citizens, our local communities and businesses and a system of communication and openness that involves local, Tribal and county governments and local development and community organizations. Our vision for a region that encompasses a thriving and diversified economic base that supports good-paying jobs for its citizens; protects the integrity of the environment; contributes to the redevelopment of our rural communities and business centers; and assures a continuation of the quality of life that is near and dear to the hearts of all who live here. We believe that in order to assure to the development of thriving communities, we have a shared responsibility to foster and nurture programs and projects that embrace the principles and stewardship of our social, economic and natural environments.

The Western Rural Development Region’s Comprehensive Economic Development Strategy (CEDS) is meant to be a “living” document. Many conversations have taken place to provide context and information regarding the CEDS planning process, which ultimately has led to a group of commonly agreed upon projects emerging as priorities.

The following section is just part of the vision for the Western Rural Development Region– we are “setting the table” for the future. While all of the strategic focus areas are not within the scope of WRDR (or LCCDC), the organization can still provide information attained in community meetings processed to appropriate agencies and organizations. Additional projects and priorities will appear as necessary; however, the following focus area tables provide a communicable roadmap for economic development within the region.

VALUES:

We value business growth while maintaining a high quality of life and our environment.

We foster a collaborative relationship within the region's business community.

We nurture a close working relationship with the Confederated Salish and Kootenai Tribes, Lake, Mineral and Sanders Counties, and local governments.

We execute our mission in a manner that is ethical, legal and fiscally responsible.

We pursue opportunities that support economic development self-sustaining operations.

We perform our duties using best practices management principles and strive for continuous improvement.

GOALS:

The overall goal of the Western Rural Development Region's coalition is to develop action plans and goals that reflect the objective of strengthening our communities and the need to diversify the region's economy. To that end, particular attention will be given to assuring that the infrastructure needed to support a growing and thriving economy is in place and supported (including housing, public infrastructure, transportation, education and workforce development and financial resources); and that business enterprises in those industries that have the best potential for growth and employment with opportunity (including Commerce/Industry with manufacturing; food and agriculture; health and human services; natural resources and energy development, technology and tourism) are fully supported.

Strategic Goal 1: Support the retention and expansion of existing business and the attraction of new business.

- **Strategic Objective 1.1: Grow the business base and create employment opportunities.**

Strategies:

- Generate conversation towards the establishment an Industrial park program.
- Develop and implement incentive programs.
- Promote technology zones.
- Determine if appropriate infrastructure, water, sewer, fiber optic and reliable power, is available to support economic development.
- Market and promote the region's employment centers.
- Focus on the small business sector.

- **Strategic Objective 1.2: Attract more tourists and lengthen their stay.**

Strategies:

- Work with regional partners to engage in efforts to explore a year round tourism destination plan that promotes history, agriculture, recreation and culture in ways that are respectful of the Confederated Salish and Kootenai Tribes. Work with the Confederated Salish and Kootenai Tribes in similar efforts when projects are of mutual interest.
- Support the reasonable expansion of tourism within community/economic development corporations and entities within the region.
- Explore the formation of a Lake County Tourism Commission.
- Encourage partnering with other public and private groups on development and marketing of regional tourism activities.

- **Strategic Objective 1.3: Collaborate with other agencies and organizations to strengthen the delivery of programs, resources and services to the business community.**

Strategies:

- Collaborate with local educational institutions to identify ways to work together, to foster a think tank environment, and to encourage entrepreneurship.
- Work with regional organizations to attract federal government jobs and related industries.
- Identify opportunities for regional cooperation that are mutually beneficial and advocate for them.
- Strengthen education, counseling and training resources to help businesses.

Strategic Goal 2: Create a “Development Ready” plan that meets the dynamic needs of commerce and industry.

- **Strategic Objective 2.1: Strengthen outreach and developmental operations to ensure they are high performing, effective, and relevant to the needs of the business community.**
Strategies:
 - Encourage internal process improvement.
 - Participate in county budgeting process.
 - Provide input to the governmental bodies for state legislative agenda.
- **Strategic Objective 2.2: Ensure Western Rural Development Region partners and resources can effectively serve the business community.**
Strategies:
 - Invite subject member experts to talk with staff members about opportunities for the county.
 - Continue to build best practices.
- **Strategic Objective 2.3: Brand the Western Rural Development Region as a communication resource for commerce and industry.**
Strategies:
 - Develop and implement an external communications plan.
 - Develop and implement a multi-media marketing plan.
 - Develop and implement a public relations campaign.
 - Improve online tools and resources.
 - Enhance visibility and web presence
- **Strategic Objective 2.4: Position the Western Rural Development Region to sustainably grow into the future.**
Strategies:
 - Pursue grants that support economic development.
 - Develop and implement a program to market bond capability.
 - Determine potential funding sources from other sources.
 - Determine the possibility of purchasing and leasing real estate.
 - Promote sustainable infrastructure and services.

Strategic Goal 3: Advocate positive change for business.

- **Strategic Goal 3.1: Foster an economic development friendly environment by nurturing relationships with county and Tribal governments on business barriers, and on financial and regulatory burdens.**
Strategies:
 - Work with county and Tribal governmental staff to prepare a tax analysis to determine if there are business friendly changes that can be made.
 - Advocate for new processes and programs to facilitate new business startups.
 - Identify and resolve barriers to economic development.
 - Identify business friendly initiatives.
 - Study how county incentives could lead to greater developer participation in infrastructure improvements.
- **Strategic Objective 3.2: Support business friendly initiatives.**
Strategies:

- Research, evaluate and apply for applicable federal, state and other agency grants to assist development goals.
- Explore and develop incentive programs.
- Research and make recommendations for special tax districts to support business retention and expansion.
- Explore updating proper guidelines to improve development opportunities.
- Identify and target industries that are compatible with county and Tribal development plans for growth.
- Work with state partners to identify new and emerging industries that would fit development goals for the region.
- Advocate for infrastructure improvements to current and future development areas.
- Provide input to the Western Rural Development Region Advisory Council on business development issues

6. Action Plan – How do we get there?

The following is the Action Plan for the Western Rural Development Region for the calendar year of 2013. It is updated annually in January 2014 and will be replaced in the CEDS document as the update occurs.

The Action Plan is a way to organize, quantify, and evaluate the progress of the goals and objectives created for the next five years. In the following chart we outline tasks to be completed, responsible parties, funding sources, and expected results. Some of these have yet to be completed as projects unfold, but it is an important piece of this “road map” because it helps to develop priorities, accountability, progress, and evaluation in the planning progress.

Funding

Funding comes from various sources including, but not limited to grants from the State and Federal Government, as well as funds and loans. Additional funding comes from the private sector in the form of loans and in-kind donations. Some projects are difficult to identify where funds will come from, due to grant scheduling and/or multiple potential funding sources. WRDR will consider any and all sources of funding to fund the action items in this section.

Objectives and Timeline

This Action Plan is constantly being updated. Some projects have already begun, some are ongoing, and new ideas are often added quarterly. With each action item we work closely with partners to develop a unique strategy and timeline. The projects are prioritized and the progress kept track of.

Expected Results and Performance Measures

Each item has specific expected results and performance measures unique to that project. Some basic goals of the action items are to:

- Create jobs
- Improve/develop infrastructure
- Enhance partnerships
- Coordinate Strategic planning and better utilization of funding

All items are evaluated at the completion of the project, and if needed follow-up items are added.

Regional Planning Efforts - Evaluation Report 1/1/12 through 12/31/2012

Goal 1: Encourage and Organize Regional Economic Development Activities, Meetings, and Projects

Objectives	Funding Sources	Responsible Parties	Expected Results
1. Host quarterly meetings with local development organizations	CRDC Contract	CRDC and its partners; LCCDC Business Development Center	Increased communication about issues and projects in each county and community
2. Facilitate one annual public meeting in each county; invite all local communities, districts, organizations	CRDC Contract	CRDC and its partners; LCCDC Business Development Center	Continuing communication with local governments
3. Identify and expand opportunities in developing the region's food economy toward the development of a regional food hub incorporating Missoula, Ravalli, Sanders, Mineral, Lake, and Flathead Counties	Montana Farmers Market Association; Rural Cooperative Development Program	CRDC and its partners; LCCDC Food and Agriculture Program	Successful food businesses and cooperatives entering local market places through value-chain business development
4. Through the Food, Ag, and Cooperative Development Center, provide emerging and existing cooperatives and food businesses in the region the technical services, training and resources to meet their growing needs	Rural Cooperative Development Program	LCCDC Food, Agriculture, and Cooperative Development Program	Increased entrepreneurial development leading to growth within these business sectors

Goal 2: Assist Local Governments in Performing Local and Regional Planning and Develop/Update 5-Year Strategic Plan

Objectives	Funding Sources	Responsible Parties	Expected Results
1. Complete a 5-year strategic economic development plan for the CRDC region	CRDC contract and local match	CRDC and its partners	A comprehensive plan that can be used throughout the region to support project development
2. Assist Sanders and Lake Counties in completing their CIP's	CDBG and local match	LCCDC Community Facilities Program	A comprehensive guide and tool for Sanders and Lake County's staff in planning for Infrastructure projects including transportation; water and sewer districts; parks and recreation; emergency services, etc. that is more easily accessible and updatable outside of any growth policies
3. Establish a collaborative community visioning process throughout communities on the Flathead Indian Reservation, including local governments, CSKT Agencies and Departments and citizenry	Local Foundations	LCCDC Business Development Center and Community Facilities Program	Better communication among communities and cultures; incentive to work together on projects of mutual benefit

Goal 3: Deliver and Administer Revolving Loan Funds in Collaboration with Local RLF's in Each County

Objectives	Funding Sources	Responsible Parties	Expected Results
1. Complete CDFI Certification	CDFI Technical Assistance Award	CRDC and its partners; LCCDC Business Development Center	Access to additional capital for businesses throughout the region
2. Replace Rural Microentrepreneur Assistance Program with similar funding elsewhere and apply for additional IRP funding to increase capital available for loans	USDA-RD, CRDC, Montana Microenterprise Program	LCCDC Business Development Center	Support emerging businesses throughout the region
3. Obtain established gap financing for Mineral County Hospital/Critical Care Expansion	USDA-RD, Montana Board of Investments, CDBG, New Market Tax Credits	Mineral County CDC, LCCDC Business Development Center	Construction of expansion begins late 2012 or early 2013
4. Provide technical assistance in on-going development of commercial ventures	CRDC, Project Administration Funds	Sanders County Community Development Corporation, LCCDC Community Facilities Program and Business Development Center	

Goal 4: Support the Delivery of Business Technical Assistance throughout the Region			
Objectives	Funding Sources	Responsible Parties	Expected Results
1. Continuing contracts throughout MDOT/DBE Program and Big Sky EDA/PTAC Programs for delivery of TA in the Region; hold minimum of two workshops in each county through year	PTAC, MDOT/DBE, Local match, CRDC	LCCDC Business Development Center	
2. Fund additional training program in region to include QuickBooks, NxLevel training, marketing, broadband and social networking for business	RMAP, CRDC, Local match, CRDC	LCCDC Business Development Center	Increased business knowledge and management survival skills throughout our communities
3. Increase BEAR program outreach throughout region; encourage local businesses throughout the region to participate in Incumbent and New Workforce Training Programs	CRDC	LCCDC Business Development Center, CRDC Montana Job Service Centers in WRDC footprint	More small businesses participate and invest in training of their workforce
4. Host food HACCP and Process Control training for food manufacturers	LCCDC Food and Agriculture Program	LCCDC Food and Agriculture Program	Regional food manufacturers are meeting USDA/FDA requirements for processing
5. Support professional development of training staff	Agency grants, CRDC, LCCDC Food and Agriculture Program	CRDC	Increased organizational capacity to deliver technical assistance and training programs to businesses in the region

Goal 5: Support, Apply for, and Help Manage State and Federal Grants and Programs

Objectives	Funding Sources	Responsible Parties	Expected Results
1. Continue management of previously written and obtained federal TIGER grant on behalf of Lake County and the City of Polson	Project administration funds	LCCDC Community Facilities Program	Project at 70% completion; County in position to successfully apply for and manage future federal grants of this magnitude
2. Complete flood plain study in Town of Superior	Big Sky Trust Fund	Business Development Center	The Down Town area is removed from flood plain and commercial activity, including development and real estate transactions are facilitated
3. Existing CDBG-ED grants are successfully concluded; a minimum of two new CDBG-ED projects are developed in the region; and CDBG public facilities grants (currently awarded) in Mineral and Sanders County are completed.	CDBG, CRDC	Business Development Center and Community Facilities Program; Mineral and Sanders County's Community Development Organizations	Projects are completed; jobs are created
4. Continue management of TSEP and RD funding for City of Ronan water project; new projects are developed regarding the Ronan Sewer Lagoons and other community facilities as may be defined in any of community action plans produced through the CEDS process, including immediate support to further develop sewer systems in Paradise (Sanders County) and Town of Alberton (Mineral County)	USDA-RD, TSEP, Montana Department of Natural Resources and Conservation, CRDC	CRDC, LCCDC Community Facilities Program	Adequate funding for public infrastructure projects is developed
5. Support professional development of project management staff in state and federal projects	CRDC and local resources	CRDC	LCCDC has the capacity to offer professional project management services to communities

7. Evaluation – How are we doing?

Process

Lake County Community Development Corporation, and its economic development partners throughout the region, manages a continually growing and changing number of programs that serve our member communities, businesses and citizens. Many of these programs include public sector financing of some sort, either in the form of grants or loans, and from a diverse source of local, state and federal sources. LCCDC is accountable to each sources (whether public sector or private sector such as a foundation) to assure compliance with the rules and regulations that govern each of these programs. Both the financial and outcome performance of our Organization is continually evaluated by the many agencies and groups that provide funding for the programs we deliver.

Our effectiveness is also evaluated on an ongoing basis by our Board of Directors, Regional Advisory Board, our Revolving Loan Fund Committees, Confederated Salish and Kootenai Tribal Council, County Commissioners, Town Councils, community groups and our business clientele. We communicate with these parties via meetings, news stories, project updates, committee and/or board meetings, public outreach and community meetings, newsletters and website and the CEDS annual report.

In the “Action Plan” (Section 6), we outline various performance measures, expected results, responsible parties, priority level, status and evaluation indicators to review against which we can track our outcomes. Annually, the Advisory Board of the region will meet to assess our progress; review and assess outcomes; evaluate strategies that may need changing or elimination, and determine any additional goals that may need to be added.

Review Process

The Advisory Board will consider the following when both setting and review objectives to be included in the *CEDS* document.

1. The specific Action relative to each Program Area that is being identified as part of an action plan
2. The specific Objective or Objectives related to each Action identified in the action plan
3. The Potential Benefit of completing each Action
4. Any Timeline that has been set for attainment of the Action
5. Progress made relative to that Timeline
6. An evaluation of any shortfalls; and a determination as to whether there needs to be changes in the Action Plan accordingly, including increasing timeline, removing the action from the plan or pursuing an alternative
7. Outcomes at project end to determine effectiveness and record any lessons learned

8. Appendix

Appendix A: Community Survey Matrix: Project Wish Lists

- Lake County
- Mineral County
- Sanders County

Appendix B: Confederated Salish and Kootenai Tribes of the Flathead Reservation CEDS Support

Confederated Salish and Kootenai Tribes of the Flathead Reservation

Comprehensive Development Strategy – Prepared by S & K Holding Company, March 2010

Section VI. Implementation Plan

- Confederated Salish and Kootenai Tribes of the Flathead Reservation Comprehensive Development Strategy – Prepared by S & K Holding Company, March 2010
Section VI. Implementation Plan
- To view the Confederated Salish and Kootenai Tribes Comprehensive Resources Plan Volume 1 in its entirety; visit <http://www.cskt.org/tld/docs/compplanvolume1.pdf>

Appendix C: Western Montana Regional Food Economy Strategic Plan


Appendix D: Mission Mountain Food Enterprise Center Strategic Priorities

Appendix A:

Community Survey Matrix: Project Wish Lists

Lake County
Mineral County
Sanders County

Comprehensive Economic Development Strategy (CEDS)

Lake County Survey Results	Arlee	Ferndale	Polson	Ronan	St. Ignatius
448 Community Surveys received for Lake County					
Housing	x	x	x	x	x
Lack of affordable housing/rentals  Rectangular Snip	x				
Poor quality/run down homes/rentals					
Too many higher-end homes					
Need low-income/single family dwellings	x		x		
Abandoned mobiles/older homes					
Increased inability to maintain property					
Influx of available homes/foreclosures					
Lack of affordable senior living					
Out of state property ownership/lack of participation					
Deflated home values					
Taxes increasing/too high					
Handicapped accessible					
Zoning for housing/building codes					
Drug/alcohol related housing issues					
Roads	x	x	x	x	x
Need for consistent road maintenance/upgrades	x	x	x	x	x
Shoulder/ditch maintenance					
Need consistent winter maintenance					
Road management structure/training					
SID	x	x	x	x	x
Consistent Community Policies/Zoning	x	x	x	x	x
City Streets					
Need additional sidewalks/repairs				x	x
Community bike path					
Community trail system/including cross-country		x			
Training for infrastructure support staff					
Water, sewer, underground power improvements	x	x	x	x	x
Create parks and recreation opportunities	x	x	x	x	x
Need to add passenger rail service					
Develop additional hotels/restaurants/services	x	x	x		
City Library Upgrades	x		x		
Community Center/Youth Center/ADA Access	x	x	x	x	

Emergency Services	x	x	x	x	x
Need for larger emergency response facility		x			
Need for additional community volunteers/incentives	x	x	x	x	x
Need for additional funding	x	x	x	x	x
Need for additional police and patrols					
Need for additional tribal police presence					
Feel an overall lack of protection/services					
Competitive wages for Police protection					x
Volunteer services cost lives and property					
Too many police on payroll					
Excellent response and caring by EMS services					
Full-time funded personnel for fire/ambulance					
Improved equipment for response		x	x	x	x
Medical Research/Hospital Upgrades				x	
Food Pantry facilities	x				
Jobs	x	x	x	x	x
Job Creation	x	x	x	x	x
Need vocational/technical education					
Create business recruitment/construction opportunities	x		x	x	
Rock Mining opportunities/regulations					
Utilize management of natural resources to create jobs					
Recruit a manufacturing opportunity for jobs growth					
Need for grocery/Walmart/Dollar store					
Revitalize the business Hub in the community	x		x	x	
Community Collaboration	x		x	x	x
Business Park/Distribution Center/Call Center/Tech			x	x	
Vision Regarding Growth	x	x	x	x	x
Preservation of agricultural land/resources					x
Maintain a slow, natural growth			x	x	
Keep taxes low					
Need a long-term strategy			x	x	
Managed; however, not strangled					
Tourism & Eco-tourism Opportunities	x	x	x		
Manage wages/cost of living and encourage youth to stay					
Keep government involvement low					
Develop a master plan			x		
Bus services to surrounding communities					
Energy Conservation Measures					x
Community Branding/promotional opportunities			x	x	
Community Collaboration	x	x	x	x	x

Comprehensive Economic Development Strategy (CEDS)

Sourced from Mineral County Challenge Brochure - April 21, 2010

The US Forest Service and Montana Fish, Wildlife & Parks launched the Montana Challenge to investigate how management of Montana's fish and wildlife resources can best contribute to Montana's social and economic well being.

The Mineral County Challenge is an active planning and collaboration process resulting in a handful of economic development strategies selected by local stateholders, evaluated by researchers and supported by natural resource manager. The following eight (8) projects were selected and analyzed by the Mineral County Challenge:

The first three projects were selected by the Restoration Wood Products Working Group.

BIOCHAR -- Tricon timber, LLC of St. Regis formed a partnership with another Montana company to develop a pyrolysis plant using existing pyrolysis equipment from a North Carolina company. They plan to use woody biomass from Western Montana forest to produce biochar for two products; activated charcoal and methane gas for electrical generation.

SMALL TIMBER SALES -- The US Forest Service, Superior Ranger District agreed to work closer with small operators and the District will package and administer projects that have already received NEPA analysis. These approaches should address the small logging operator's capabilities and needs.

PUBLIC RELATIONS FOR RESTORATION FORESTRY PRACTICES - The Mineral County Economic Development Corporation and Dunrovin Research used The Montana Challenge principles to create a public relations project to address the economic and environmental issues related to forest health, restoration and management. They propose to synthesize and translate pertinent scientific data into a story that will engage Montanans in informed discussion about forest management.

The following five projects were selected by the Best Community Economy & Recreation/Tourism Working Group.

CEDAR CREEK TO TROUT CREEK INTERPRETIVE LOOP -- The Superior Ranger District contracted an exhibit designer to gather information from Mineral County Historical Society members in January 2010. The exhibit designer is currently preparing an interpretive plan. When the plan is finished, it can be used to apply for funding and for permission to install I-90 signs that publicize the loop.

SHOOTING SPORTS FACILITY -- After researching several suggestions, Mineral County Challenge found that it was possible and relatively inexpensive to acquire a permanent easement on several acres of state land at the old "Sportsmen's Club." A subcommittee met and prepared a preliminary map of the most desirable acres.

MINERAL COUNTY PROMOTIONAL MAP AND BRANDING -- A Mineral County Promotional Map and Branding theme will help draw people from nearby population centers like Missoula, Northern Idaho, and Spokane to explore and enjoy Mineral County. More visitors would help support Mineral county businesses.

WEST END CROSS-COUNTRY SKI TRAILS -- Superior Ranger District Recreation Planning is recreation development is involved in querying the public and assessing any need winter recreation development.

MINERAL COUNTY EVENTS AND ATTRACTIONS -- The Missoula Area Chamber of Commerce agreed to help the Mineral County Chamber of Commerce create a County Festival, Artisan Cooperative or similar event to attract visitors.

Comprehensive Economic Development Strategy (CEDS)

Mineral County Economic Blueprint Meeting
Superior, MT -- December 4, 2012

Superior

Housing	X
Lack of affordable housing/rentals	X
Poor quality/run down homes/rentals	
Too many higher-end homes	
Need low-income/single family dwellings	
Abandoned mobiles/older homes	
Increased inability to maintain property	
Influx of available homes/foreclosures	
Lack of affordable senior living	
Out of state property ownership/lack of participation	
Deflated home values	
Taxes increasing/too high	
Handicapped accessible	
Zoning for housing/building codes	
Drug/alcohol related housing issues	
Roads	X
Need for consistent road maintenance/upgrades	
Shoulder/ditch maintenance	
Need consistent winter maintenance	
Road management structure/training	
SID	X
Consistent Community Policies/Zoning	X
City Streets	
Need additional sidewalks/repairs	
Community bike path	
Community trail system/including cross-country	
Training for infrastructure support staff	
Water, sewer, underground power improvements	X
Create parks and recreation opportunities	
Need to add passenger rail service	
Develop additional hotels/restaurants/services	
City Library Upgrades	
Community Center/Youth Center/ADA Access	

Emergency Services	X
Need for larger emergency response facility	
Need for additional community volunteers/incentives	
Need for additional funding	
Need for additional police and patrols	
Need for additional tribal police presence	
Feel an overall lack of protection/services	
Competitive wages for Police protection	
Volunteer services cost lives and property	
Too many police on payroll	
Excellent response and caring by EMS services	
Full-time funded personnel for fire/ambulance	
Improved equipment for response	
Medical Research/Hospital Upgrades	
Food Pantry facilities	
Jobs	X
Job Creation	X
Need vocational/technical education	
Create business recruitment/construction opportunities	x
Rock Mining opportunities/regulations	
Utilize management of natural resources to create jobs	
Recruit a manufacturing opportunity for jobs growth	
Need for grocery/Walmart/Dollar store	
Revitalize the business Hub in the community	
Community Collaboration	x
Business Park/Distribution Center/Call Center/Tech	
Vision Regarding Growth	x
Preservation of agricultural land/resources	x
Maintain a slow, natural growth	
Keep taxes low	
Need a long-term strategy	
Managed; however, not strangled	
Tourism & Eco-tourism Opportunities	x
Manage wages/cost of living and encourage youth to stay	
Keep government involvement low	
Develop a master plan	
Bus services to surrounding communities	
Energy Conservation Measures	x
Community Branding/promotional opportunities	
Community Collaboration	x

Comprehensive Economic Development Strategy (CEDS)

Sander's County Survey Results 1268 Community Surveys received for Sander County CIP	Dixon	Heron	Rural		LonePine	Noxon	Paradise	Rural Plains	City of Plains	Rural Thompson Falls		Thompson Falls	Trout Creek
			HotSprings	HotSprings						Falls	Falls		
Housing													
Lack of affordable housing/rentals	x	x	x	x	x	x	x	x	x	x	x	x	x
Poor quality/run down homes/rentals	x	x	x	x	x	x	x	x	x	x	x	x	x
Too many higher-end homes	x	x	x	x	x	x	x	x	x	x	x	x	x
Need low-income/single family dwellings													
Abandoned mobiles/older homes	x	x			x	x	x	x	x	x	x	x	x
Increased inability to maintain property	x	x	x	x	x	x	x	x	x	x	x	x	x
Influx of available homes/foreclosures		x			x	x	x	x	x	x	x	x	x
Lack of affordable senior living		x			x	x	x	x	x	x	x	x	x
Out of state property ownership/lack of participation		x					x	x	x	x	x	x	x
Deflated home values							x	x	x	x	x	x	x
Taxes increasing/too high								x					
Handicapped accessible								x	x				
Zoning for housing/building codes								x	x	x	x	x	x
Drug/alcohol related housing issues								x	x				
Roads													
Need for consistent road maintenance/upgrades	x	x	x	x	x	x	x	x	x	x	x	x	x
Shoulder/ditch maintenance	x	x	x	x	x	x	x	x	x	x	x	x	x
Need consistent winter maintenance	x	x			x	x	x	x	x	x	x	x	x
Road management structure/training								x	x	x	x	x	x
SID													
Consistent Community Policies	x	x	x	x	x	x	x	x	x	x	x	x	x
City Streets													
Need additional sidewalks	x												
Community bike path	x												
Community trail system	x												
Training for infrastructure support staff							x						
Water, sewer, underground power improvements								x				x	
Create parks and recreation opportunities									x				

[illegible]

Appendix B:

Confederated Salish and Kootenai Tribes of the Flathead Reservation CEDS Support

Confederated Salish and Kootenai Tribes of the Flathead Reservation Comprehensive Development Strategy – Prepared by S & K Holding Company, March 2010 Section VI. Implementation Plan

**To view the Confederated Salish and Kootenai Tribes
Comprehensive Resources Plan Volume 1 in its entirety; visit
<http://www.cskt.org/tld/docs/compplanvolume1.pdf>**

VI. IMPLEMENTATION PLAN

The following outlines the plans for implementation of this CEDS.

PROJECT/ OBJECTIVES:	ACTIVITIES:	Year Begin	Year Complete	Funding Sources	Evaluation Criteria
1. Kerr dam acquisition					
	a. Continue to invest \$500K annually into acquisition war chest	Ongoing	2015	CSKT	Complete purchase of dam.
	b. Create Tribal energy company that will manage the dam once acquisition is complete	2012	2013	CSKT	Company established
	c. Develop pro forma model showing acquisition financial requirements	2011	2012	CSKT	Model completed
	d. Develop business plan for Kerr project	2011	2012	CSKT	Plan completed
	e. Investigate financing or partnering alternatives in case acquisition price is higher than anticipated.	2011	Ongoing	CSKT	Options identified and vetted
2. Renewable energy project development					
	a. Conduct feasibility studies for each project proposal.	As required	As required	CSKT	Study completed
	b. Develop pro forma model showing implementation and operation requirements and ROI for each project considered	As required	As required	CSKT	Model completed
	c. Develop business plan for each project considered	As required	As required	CSKT	Plan completed
	d. Conduct due diligence work for implementation and operation requirements	As required	As required	CSKT	Project successfully completed
3. Develop and implement Tribal Enterprises that can utilize Indian preference contracting and meet strategic needs of the Tribes.					
	a. Develop strategy for new business development	2010	2011	CSKT	Strategy completed
	b. Utilize the Capital Fund for equity into new businesses	2010	As required	CSKT	Businesses implemented
	c. Evaluate business operation and growth	2011	on-going	SKHC	Evaluations completed
4. To augment and strengthen the small business assistance services of the CSKT Business Development Center through the following:					
	a. increase investment in SLF	2010	Annually	Retained profits	% increase
	b. provide interest subsidies	2010	on-going	CSKT	Loans impacted
	c. provide loan guarantees	2010	on-going	BIA	Loans guaranteed
	d. conduct market research & provide info to Tribal entrepreneurs	2010	on-going	SKHC	Technical assistance
	e. survey membership for skills, talents and business interests	2011	2012	SKC students	Survey summary

5. To explore various business structuring options to maximize assistance and success of member-owned businesses.					
	a. Survey membership on interest in small bus.	2010	annually	SKHC & CSKT	Clients Identified
	b. Research and examine the cultural appropriate-ness of business cooperatives	2011	2013	SKHC & CSKT	Meeting conducted
	c. determine best structuring options with the assistance of the membership and implement	2010	ongoing	SKHC	Reports completed
6. Assist members in developing "bundling-a-livelihood" strategies by combining a variety of seasonal and part-time sources of earnings and income to create the equivalence of a full-time livelihood.					
	a. identify members with this interest, especially among the dislocated wood workers group.	2010	ongoing	CSKT / DHRD	Lists completed
	b. identify and provide training on the bundling opportunities, including mushroom harvesting, firewood / post and pole cutting, Christmas tree cutting, Tree planting, tourism, arts, etc.	2010	on-going	CSKT / DHRD	Cultural sensitivity
7. Identify growth occupations and target scholarships for members to train for and enter these occupations.					
	a. Identify growth occupation opportunities within the Reservation or adjacent lands	2011	Ongoing	SKHC	Survey completed
	b. schedule meetings with Council to strategize an incentive program to get more membership into these growth occupations	2011	Annually	SKHC / CSKT Tribal Council	Meetings conducted
	c. Identify wage discrepancies to avoid	2011	ongoing	CSKT	Surveys completed
8. Provide Assistance to Tribal Government on overall economic development planning and Tribal enterprise management & development.					
	a. Provide feedback on survey interests expressed, which included a grocery store, casino, arts & crafts, water distribution company, information technology, telecommunications, and Christmas tree culturing in the wild and other value added industries based in the forest products	2010	2010	SKHC	Survey results
	b. conduct feasibilities and business start-up assistance as requested	ongoing	ongoing	SKHC	Feasibilities conducted
9. Develop a database of businesses within the Reservation boundary.					
	a. Develop a database format for reporting on businesses	2010	2010	SKHC	Survey results

Appendix C:

Western Montana Regional Food Economy Strategic Plan

WESTERN MONTANA REGIONAL FOOD ECONOMY STRATEGIC PLAN

October 2012

Defining strategies for regional economic and societal development that will build upon the resources of the region to create wealth and wellness for the regions agricultural and food communities, which means everyone who eats.

COLLABORATORS:

**Mission Mountain Food Enterprise Center
Community Food and Agriculture Coalition
Nourish the Flathead
Salish Kootenai College
Western Montana Growers Cooperative
Montana State University Extension – Missoula
Natural Resources Conservation Service – Ronan
University of Montana EVST Program**



Mission

The Western Montana Regional Food Network fosters a sustainable regional economy and strengthens community food security by expanding production, marketing and distribution of regionally produced food. The Network helps farmers access reliable markets; ensures fair prices and wages; encourages land preservation and sustainable farming practices; and assures access to high quality, affordable food to people of all income levels.

Vision

We believe that establishing values-based food chains through the Western Montana Regional Food Network will produce long-lasting and profound impacts on western Montana's ability to build a vibrant regional food economy that supports successful food and farm businesses, stewards the land, feeds people good food and sustains rural communities.

Guiding Principles

1. Regional Food Value Chains increase sustainably-produced food sales and create new jobs and economic growth, while revitalizing our local communities.
2. Preserving farmland at risk from development pressure will ensure farming remains viable now and in the future.
3. All citizens deserve the right to healthy, affordable food.
4. Members of the values-chain network should strive for high standards of transparency, collaboration, equity and fair pay for everyone within the supply chain.

Background

A regional food network supports long-term connections between farmers and consumers while meeting the economic, social, health, and environmental needs of communities in a region. This includes growing, processing, storing, distributing, transporting, and selling food.¹

The vast majority of Americans rely on an extensive, long-distance supply chain to bring food to their tables. Beginning with the farmer, supply chains move food through processing, aggregation, and distribution to the market. In this process, food typically changes hands multiple times and travels massive distances — an average of 1,500 miles — and consumers rarely see the farmers or know where the food originated.

Values-based supply chains (value chains) are an alternative method of producing and distributing food. They emphasize building business relationships that facilitate high levels of trust and win-win relationships among the partners in the chain. Partners within the values based chain — those who supply the food products or add value to the food products — have rights and responsibilities to ensure fair profit margins, fair wages, and business agreements.²

¹Leopold Center for Sustainable Agriculture: http://www.leopold.iastate.edu/marketing/food_systems for more information.

²Agriculture of the Middle: <http://www.agofthemiddle.org>.

Shared values, vision, information, and decision making among the partners are important to a successful value chain. Sharing rewards and profits, as well as establishing rules of business among the partners aim to ensure fairness and justice. In working together, partners make commitments to each others' well-being that can ripple throughout the community they serve.

History

Western Montana has a rich history of collaborative partners working to localize our food system. Several key pieces of the regional food system have been bolstered in recent years, attracting new farmers and ranchers to western Montana, and creating opportunities for their success.

Campus-Community Farm: The University of Montana Environmental Studies Program includes an emphasis on Sustainable Food & Farming Systems and features a community farm, which has trained approximately 1000 graduate and undergraduate students since 1997.

Wholesale & Distribution: The Western Montana Growers Cooperative provides a critical vehicle for small and mid-size farmers to get their products into institutions and restaurants. WMGC now has nearly 40 producers and continues to seek new ways to increase their numbers.

Food Processing: The Mission Mountain Food Enterprise Center is a project of Lake County Community Development Corporation and is uniquely positioned as a leading resource, not only within the state of Montana but regionally, in providing specialty food development, packaging and marketing.

Farm to Institution Programs: The University of Montana's Farm to College program leads the region in purchasing Montana-made products, and recently celebrated their \$1 million dollar mark. Other institutions are also establishing similar programs, including UM-Western, Salish Kootenai College, Montana State University, and more than 10 school districts across the state, as well as St. Patrick's Hospital in Missoula, and others.

To further these foundational efforts to develop our regional food system, in fall 2010 western Montana regional partners (the Community Food and Agriculture Coalition, Nourish the Flathead, Salish Kootenai College Extension, Western Montana Growers Cooperative, and Mission Mountain Food Enterprise Center) began the process of inventorying western Montana's food system economic activity and the unrealized opportunities for job creation within the region's local and regional food economy. To begin the process, Mission Mountain Food Enterprise Center and the High Stakes Foundation commissioned Ken Meter of the Crossroads Resource Center to evaluate western Montana's Food and Agricultural Economy. For the study and report, western Montana was defined as the counties of Flathead, Lake, Sanders, Missoula and Ravalli. In March 2011 the report, [Western Montana Local Farm and Food Economy](#), was released.

According to Meter's study, 73% of western Montana's farms and ranches reported net losses in 2007. Moreover, western Montana farmers lose approximately \$31 million each year and spend

nearly \$80 million buying farm supplies from suppliers outside the region. While western Montana's farmers are losing money, Montana consumers are spending approximately \$749 million buying food each year and purchase \$680 million on food from outside the region.

Despite the gloomy picture of our overall farm economy there are reasons for optimism. In 2007, 489 farms sold \$2 million of food directly to consumers. This represents a 22% increase since 2002. Statistically, direct sales represent only 1.4% of the region's farm product sales. Yet, direct sales in western Montana are 3.5 times the national average. According to Meter's study, if western Montana consumers purchased only 15% of the food they need for home use directly from the region's farmers, this would generate approximately \$66 million of new farm income to the region. In other words, if each individual spent \$4.60 per week on food sourced directly from our region's farms \$66 million would be retained in our communities. The multiplier effect would include greater ease of access to nutritious, local food for consumers of all incomes, meaningful civic engagement, community involvement, and more jobs across the region.

Farmers and consumers in western Montana are innovating ways to recreate our regional food and farm economies. For example, 36% of Montana's organic farms and community supported agriculture farms operate in western Montana. Robust farmers markets operate in Whitefish, Kalispell, Polson and Missoula. Western Montana has the only fruit and vegetable marketing and distribution cooperative in the state as well as the only value added fruit, vegetable and meat community food processing facility. Farms are increasing their revenue through developing renewable energy and value added markets for farm generated waste, creating value added food products and extending their production seasons through high tunnels and greenhouses. Moreover, farms are stacking enterprises through agri-tourism ventures such as catered farm events, U-pick operations and farm stands, as well as engaging schools and youth organizations in farm tours and week long summer camps.

In the fall of 2011 the western Montana regional partners wanted to recognize and celebrate what we as a region have accomplished in revitalizing our local food economy and to explore the opportunities and challenges of expanding production and distribution in order to capitalize on the growing public interest in purchasing and eating local food. With the support of the Wallace HUFED Center and the High Stakes Foundation network partners began planning a food and agricultural summit. The summit held in December 2011 convened food, farming and economic development professionals from across western Montana. Fifty-five people attended the summit representing producers, processors, distributors, investors, buyers and public and non-profit support organizations and agencies (see attached for a list of participants). In February 2012 a follow up summit was held in the Bitterroot Valley. The mini-summit engaged business leaders who were unable to attend the December summit. Twenty-two individuals attended and provided valuable input. Since the summit, five active working groups were established in the areas of meat, marketing, aggregation and distribution, dairy and wholesale vegetable production.

The information generated for this strategic plan arose out of the summits, working groups and producer surveys. Specifically, Bonnie Buckingham of the Community Food and Agriculture Coalition, Neva Hassanein of the University of Montana Environmental Studies Program, Seth Swanson of Montana State University Extension – Missoula, , Virgil Dupuis of Salish Kootenai

College Extension, Ben Montgomery of the Natural Resources Conservation Service – Ronan, and Travis Greenwalt of Western Montana Growers Cooperative, and Karl Sutton of the Mission Mountain Food Enterprise Center provided feedback and additions to this plan.

Regional Food and Farm Support Network

A western Montana regional food and farm network will foster a sustainable regional economy and strengthen community food security. The network will help farmers and producers access reliable markets, ensure fair prices and wages, and encourage land preservation and sustainable farming practices. It will also provide consumers with a better relationship with their food and the place in which it is grown.

To reach this vision we will encourage a strategic effort between regional food producer and food system support organizations (e.g. Community Food and Agriculture Coalition, Mission Mountain Food Enterprise Center, Nourish the Flathead, University of Montana, MSU Extension, Salish Kootenai College Extension, Montana Department of Agriculture, NRCS, and Montana Food Bank Network). The western Montana Regional Food and Farm Network will serve as a hub to:

- Establish technical training programs to develop a highly skilled production labor force to meet the needs of food and farm businesses;
- Encourage local research to promote agriculture innovation and efficiencies, and
- Facilitate continued dialogue between support agencies and network partners in order to improve the communication, leverage resources and reduce duplication of services.

The Network will hold annual regional convenings to share and celebrate accomplishments and further explore new opportunities and challenges of expanding the growth of the network.

The Network will be a collaborative effort between resource agencies, non-profit support organizations and businesses. There will be an advisory group which will facilitate ongoing activities to ensure continued success and forward movement. Additionally, each working group will established regular work sessions and on-line communications to ensure the value-chain continues to develop. Each working group has a facilitator from the advisory group and a value chain business ‘champion’ to ensure all members of the working group are engaged and informed.

The Network will engage in fundraising to fund the support mechanisms of the network as well as for specific pilots and projects.

The following goals serve as a framework for work during the next 3 to 5 years:

Goal 1: Increase the production of sustainably produced food for western Montana local and regional markets; continue to diversify production and increase food producer profitability.

1. Convene regional working groups that serve as communities of practice to improve production and distribution efficiencies, identify and evaluate barriers to business and market expansion and profitability, and implement targeted strategies to increase regional food supply.
2. Work cooperatively amongst support agencies to expand production and market research programs that build the capacity of food producers to meet the ever growing and changing market demands.
3. Develop a comprehensive list of Montana-produced raw ingredients for value-added producers such as honey, vegetables, fruits, meat, poultry, lamb, milk, and cheese and use existing web based resources to disseminate the information.
4. Conduct a feasibility study to learn about the production capacity and market opportunity for a regional dairy industry.
5. Conduct a feasibility study to learn about the production capacity and market opportunity for a regional grass-finished beef industry.
6. Transform the developing MT Dept. of Ag. Food System Mapping Tool into a dynamic tool to be used to increase distribution, marketing, and production efficiencies.
7. Develop shared use equipment cooperatives to improve efficiencies in efforts to scale up production.

Goal 2: Increase Western Montana's food processing and manufacturing sector resulting in expanded markets for farmers and an increased and extended supply of value added food products for local and regional markets.

1. Process western Montana fruits and vegetables at foodhub processing centers (i.e. Mission Mountain Food Enterprise Center) for distribution to institutions such as schools, colleges and hospitals. Concerted efforts in the following will need to be made to meet the institutional markets for frozen vegetables: a. Analyze market opportunities for increased product line of season extended produce for institution and retail establishments; b. Develop the production capacity of producers to scale up to meet the wholesale and processing markets; c. Expand the processing infrastructure to meet the grower production; and d. Partner with workforce development and public institutions to train the processing labor force.
2. Conduct market and financial feasibility analysis for value added and fluid milk processing in the region.
3. Evaluate the market potential, production capacity, and processing infrastructure for a regional meat value chain. Possible research scenarios may include mobile slaughter, existing state and federal facilities and centrally located facilities.

Goal 3: Increase the efficiency of entering regionally grown and produced food production into regional food markets through formalized relationships across the value chain and through the establishment of strategically located packing, aggregation and distribution hubs.

1. Expand and strengthen the regional supply chain through formalized agreements between producers, distributors and independent buyers (retail food stores and institutions).
2. Establish facilities that provide docks for distribution, aggregation, packing and diversified storage for regionally grown and processed foods. (emphasis on cold and CA storage)

Goal 4: Increase demand and consumption for local and regionally sourced healthy and sustainable food through agritourism programs, buy local and regional market campaigns, education and awareness programs, and farmers / farmer group marketing efforts.

1. Conduct consumer research and develop and implement a regional market strategy and campaign to highlight the value of local food procurement and increase local food access and consumption through innovative incentive programs.
2. Promote healthy eating habits, nutrition and agriculture education in schools.
3. Serve more local food in institutions. Organize students, employees and administrators to support institutional food service in buying locally and regionally sourced food. Provide institutions the needed connections to farmers and farmer cooperatives to ensure supply for large scale food product needs through food hubs and regional food network.
4. Establish and support the development and expansion of agritourism businesses that promote and educate consumers on the unique agricultural features of western Montana (i.e. Flathead Cherries, Historical Bitterroot Apple Industry, diversified farm operations, farmers markets, etc.).
5. Support farmers who want to sell wholesale in meeting the demands of wholesale markets through the establishment of aggregation cooperatives, best practice on farm production and packing, individual farm and group GAP and Organic certification, and the establishment of purchasing cooperatives for packaging materials and farm inputs.
6. Identify a listing of farm CSA's and develop support programs to increase access to farm share programs (i.e. employee health benefit programs that cost share local fruit and vegetable purchases).
7. Explore cross sector business relationships that could increase consumer awareness of and access to regional direct market CSA farms and multi-farm CSA's (i.e. Western Montana Growers Coop and Missoula Federal Credit Union).

Goal 5: Increase access to regionally produced food for limited income people in Western Montana through the development of regional buying clubs and farmers markets, CSA's and farm stands that are authorized to process EBT Snap benefits.

1. Develop and implement an EBT Resource and equipment sharing program to ensure that all direct market vendors can provide EBT SNAP Benefits.
2. Create an added value coupon system to double SNAP Benefits – for each SNAP dollar spent \$1 will be available as match for purchasing at direct markets.

3. Develop outreach materials to encourage use of SNAP benefits at direct markets. Provide incentives and food preservation and preparation workshops for participants.
4. Develop outreach materials to all direct markets to encourage participation in the program.
5. Work with direct markets to grow crops specifically requested by lower income CSA (consumer supported agriculture) participants.
6. Encourage and support community outreach and education on nutrition and healthy cooking.
7. Explore local sourcing of commodity products through USDA Foods and emergency food relief agencies (i.e. Mt Food Bank Network).

Goal 6: Increase the availability and supply of locally generated sustainable farming and production inputs including energy, soil amendments and fertilizer, seed, feed, forage, and skilled farm and food labor.

1. Inventory the western Montana businesses that currently provide locally-produced production inputs (i.e. seed, compost, pest controls).
2. Increase the amount of on-farm power generation, renewable energy and energy efficiency improvements for farming and food production. Projects may include anaerobic digesters, solar, bio-mass and non-combustion motor technology for farm equipment.
3. Identify new business opportunities and establish businesses to increase the supply of localized production inputs in order to meet increased demand. (i.e. Launch an organic seed producer cooperative that will provide shared use seed cleaning equipment for cooperative members in order to improve seed production efficiencies to meet the organic seed demand; develop strategically located composting facilities that produce critical soil building materials for growers.)
4. Support water and soil conservation efforts by promoting efficient use and ensure the long term support of programs that assist food producers with achieving land and water conservation measures (i.e. NRCS Organic EQIP program).
5. Encourage continuation and expansion of infrastructure (season extender/hoop house) development programs.

Goal 7: Increase the number of successful, small to mid-size, vibrant family farms that ensure a future legacy of agriculture, by comprehensively addressing the key challenges of hands-on training, land tenure, business planning, and market access.

1. Encourage agricultural production that contributes to soil building and clean air and water.
2. Increase participation in Beginning Farmer and Rancher network programs through workshops, on-line educational resources and networking for peer mentoring.

3. Develop an Incubator Farm in Missoula County to provide low-cost access to land, toolkits and resources to start a farm business and support for beginning farmers and ranchers. Emphasis will be placed on creating farm and ag businesses that meet current gaps in production for institutional purchasing, and connection to markets through the Network.
4. Support the development of the Land Link Montana program that keeps working farmland in production by connecting next generation farmers to land and to local and regional markets to profitably sell their products.
5. Encourage development of crop insurance programs for small acreage or market garden producers

Funding strategy

The Network will collaborate to find resources to support activities from Federal grant programs, private foundations and shared resources. In addition, the Network will explore opportunities to stimulate infrastructure expansion through non-traditional investment strategies (e.g. community investment funds and crowdfunding) and through engaging traditional lenders such as Farm Services of America, Northwest Farm Credit Services, banks and credit unions and economic development organizations.

Appendix D:

Mission Mountain Food Enterprise Center Strategic Priorities

The following strategic priorities have been adopted by the Mission Mountain Food Enterprise Center to create and expand economic opportunities in our regions food and agricultural economy.

INDUSTRY OR TOPIC: Food and Agriculture Center Program- MDOA

AREA OR COUNTY: Western Rural Development Region

TABLE OF STRATEGIC PRIORITIES

The following lists strategic priorities to be considered over the next five years (July 2012 – June 2017) in the area of Food and Agricultural Business Development

PROJECT	GEOGRAPHIC AREA OF CONCERN	STATEMENT OF IMPACT
Training Programs	Lake, Sanders and Mineral Counties	Provide education and training in food safety regulation and food business development- HACCP planning, food audit requirements, Serve Safe, Concept to Consumer (4 trainings held annually)
Mission Mountain Food Enterprise Center Clients		
Tipus Chai Tea	Lake County	Provide resources of food business development, incubation and food safety regulation to meet growing market demand for their Chai Tea product. Tipus is graduated to their own processing facility.
Thunderhead Gardens	Lake County	Provide resources of food business development incubation and food safety regulation to meet growing market demand for value added ag product
Silent Creations	Lake County	Provide resources of food business development incubation, food safety regulation and capital development to meet growing market demand for bison jerky product
Orchard at the Flathead	Lake County	Provide resources of food business development incubation and food safety regulation to meet growing market demand for their organic value added cherry products.
Fat Robin Orchard	Lake County	Provide resources of food business development incubation and food safety

		regulation to meet growing market demand for their organic value added cherry product.
TUL Inc	Missoula	Provide resources of food business development incubation and food safety regulation to meet growing market demand for hot sauce product in the Univ. of MT procurement program
MT Stinking Rose	Bozeman	Provide resources of food business development incubation and food safety regulation to meet growing market demand of value added garlic
Uncle Bills Sausage	Missoula	Provide resources of food business development incubation and food safety regulation to meet growing market demand for sauerkraut and sausage products
Western MT Growers Coop	Lake and Sanders County	Provide resources of food business development incubation and food safety regulation to meet growing market demand for local produce in institutional markets

INDUSTRY OR TOPIC: USDA Rural Cooperative Development Program

AREA OR COUNTY: Western Rural Development Region

TABLE OF STRATEGIC PRIORITIES

The following lists strategic priorities to be considered over the next five years (July 2012 – June 2017) in the area of Cooperative Development

PROJECT	GEOGRAPHIC AREA OF CONCERN	STATEMENT OF IMPACT
Western Montana Growers Coop	Lake and Sanders County	Increase market entry of local production to insure the viability of our small farms- 20 new farmers and members join coop
MT On line Food Coop	Lake , Missoula, Sanders County	Launch a virtual food coop that will increase local food access to residents of the region- 300 member coop launched
Flathead Cherry Growers Coop	Lake County	Increase the availability of locally grown cherries in the Montana marketplaces .
Kildeer Artist Coop	Lake and Missoula Counties	Enhance the growth of the cooperative membership and increase the marketplace opportunities for artisan wares
Flathead Lake Organic Cherry Growers Coop	Lake and Flathead Counties	Increase the volume of organic cherry production and increase the efficiency of packing and distribution through a cooperative packing facility in order to increase the availability of Montana grown organic cherries in the marketplace.
Montana Poultry Growers Coop	Lake, Missoula, Ravalli, Sanders Counties	
Montana Organic Seed Producer Cooperative	Lake, Missoula, Ravalli and Flathead Counties	Launch an organic seed producer cooperative that will provide shared use seed cleaning equipment for the cooperative members in order to improve seed production efficiencies to meet the wholesale organic seed demand. – 10 farmers are members of the cooperative.

INDUSTRY OR TOPIC: Five Valleys Summit

AREA OR COUNTY: Lake, Sanders, Missoula, Ravalli, and Flathead Counties

TABLE OF STRATEGIC PRIORITIES

The following lists strategic priorities to be considered over the next five years (July 2012 – June 2017) in the area of Food Economy Development

PROJECT	GEOGRAPHIC AREA OF CONCERN	STATEMENT OF IMPACT
Meat Processing Group	Lake, Sanders, Missoula, Ravalli and Flathead Counties	Improve the distribution and market for grass-fed meat within the region- Grass fed meat is sold in local grocers
Dairy Production Group	Lake, Sanders, Missoula, Ravalli and Flathead Counties	Identify the barriers to regional dairy production and increase opportunities for dairy production and processing- 2 new small scale mixed species dairies are started
Regional Market Strategy group	Lake, Sanders, Missoula, Ravalli and Flathead Counties	Develop and implement a regional market strategy and campaign to highlight the value of local food procurement and increase local food access and consumption- A regional local food campaign is recognized and used by local grocers
Packing Aggregation and Distribution/ Wholesale Marketing Group	Lake, Sanders, Missoula, Ravalli and Flathead Counties	Increase the efficiency of entering regional food production into regional food markets through aggregation of production and distribution channels. Consolidated distribution routes and cooperative aggregation points established.

INDUSTRY OR TOPIC: Farmers Market Development

AREA OR COUNTY: Lake and Sanders Counties

TABLE OF STRATEGIC PRIORITIES

The following lists strategic priorities to be considered over the next five years (July 2012 – June 2017) in the area of Farmers Market Development

PROJECT	GEOGRAPHIC AREA OF CONCERN	STATEMENT OF IMPACT
Polson Farmers Market	Lake County	Provide resources to increase market's capacity to provide a successful venue for area producers and craftsmen. 100 new vendors
Arlee Farmers Market	Lake and Missoula Counties	Provide resources to increase market's capacity to provide a successful venue for area producers and craftsmen. 30 new vendors
Hot Springs Market	Lake and Sanders Counties	Provide resources in start up of a market that can meet the needs of a very rural area. Market is established with 30 vendors

INDUSTRY OR TOPIC: Farm to Institution Program

AREA OR COUNTY: Lake and State

TABLE OF STRATEGIC PRIORITIES

The following lists strategic priorities to be considered over the next five years (July 2012 – June 2017) in the area of Farm-to-Institution

PROJECT	GEOGRAPHIC AREA OF CONCERN	STATEMENT OF IMPACT
Polson School District Greenhouse Program	Lake	Promote healthy eating habits, nutrition and agriculture education
FFVP Snack Program – local produce processing	Lake	Leverage Western Montana Growers Cooperative and Mission Mountain Food Enterprise Center capacities to increase local food system development as well as to teach elementary students about the benefits of local food systems and healthy eating habits. 5 school districts implementing snack program
Specialty Crop Marketing Materials	Montana	Promote specialty crops grown in Montana in area schools to increase nutrition education in order to combat the rising obesity epidemic.
Lentil Burger Product Development	Montana	Promote Montana's agricultural resources by developing a Montana sourced and produced vegetarian lentil patty to institutional markets while promoting local food benefits and healthy eating habits. 5 institutions serving lentil burger

INDUSTRY OR TOPIC: Agri-tourism

AREA OR COUNTY: Lake and Sanders Counties

TABLE OF STRATEGIC PRIORITIES

The following lists strategic priorities to be considered over the next five years (July 2012 – June 2017) in the area of
Tourism

PROJECT	GEOGRAPHIC AREA OF CONCERN	STATEMENT OF IMPACT
Polson Cherry Days	Lake	Promote the region by increasing the awareness of the local cherry industry and the benefits the industry brings to the region- fresh cherries, beautiful orchards , Flathead Lake – increase visitors by 10% annually
Polson Farmers Market	Lake	Enhance and promote the market to showcase local food and craftsman in the area- 100 area farmers and craftsman are selling their products