

June 8, 2018

GFDA Quarterly Investor Letter

“Perseverance, secret of all triumphs.”
Victor Hugo

Dear Investors (and potential investors),

As the steward of your financial support of our economic development efforts to grow and diversify the Great Falls regional economy, I’m pleased to report that our persistence is paying dividends in terms of substantially increased wage earnings and private sector investment in business startups, expansions and attractions. Here are a few recent statistics for the Great Falls MSA (Cascade County):

- Great Falls tied as the 10th best metro in the eight-state mountain west for winning private sector investment deals in 2017. (Site Selection magazine)
- Real per capita income (after inflation) increased 2.5% in 2016, five times the national average of 0.4% and more than twice the Montana average of 1.1%. We topped both Billings MSA at 0.1% and Missoula MSA at 1.8%. (U.S. Bureau of Economic Analysis)
- Preliminary data for 2018Q1 shows total wage earnings were \$13 million higher than in 2017Q1, up \$43 million in 4 quarters. In the last 16 quarters, total wage earnings grew 15.7%, worth \$208 million/year. (Chmura Economics JobsEQ)
- In 2018Q1 our average annual wage reached 75.3% of the national average, a step forward toward our long-term goal of having average wages above our cost of living which remains at 91.9% of the national average. (Chmura Economics JobsEQ)
- Average wages were at 67% of the national average when GFDA was formed. Since then, total wage earnings have increased 73%, more than twice inflation of 35%. Our average annual wage has grown faster than Montana and national averages for 15 consecutive months. (Chmura Economics JobsEQ)

Recent deal milestones have included:

- Play 'N Learn Academy groundbreaking
- Friesen Nutrition grand opening
- University of Providence's University Center groundbreaking
- Springhill Suites by Marriott opening
- Main Stay/Sleep Inn construction start
- Allele Clean Energy 80MW wind farm announcement
- Pacific Northwest Solar 3MW solar farm announcement

Business Attraction

Last fall, GFDA's Board authorized me to invest more resources in business attraction efforts to take advantage of the growing national economy. I applaud the Board for taking this aggressive step, a hard decision because we have been behind in getting out to ask you to make new investment pledges.

Since my last letter to you at the end of February, we've been on 7 out-of-state trips to meet with targeted companies and develop new contacts in key industries. Trips have included:

- Natural Products Expo West in Anaheim
- Site Selection Guild annual gathering in Cincinnati
- SelectUSA Canada annual summit in Calgary
- Tokyo Business Development Mission
- Transload Distribution Association annual conference in Virginia
- RECON commercial real estate annual event in Las Vegas
- Aspirational Trip to Lethbridge, Edmonton and Calgary

Within Montana, we've exhibited/networked at the Montana Manufacturing & International Trade Day, Made in Montana, Montana Tourism Conference, and the Montana Energy Summit. We've pitched Great Falls while speaking at several national and state economic development conferences and webinars.

We sponsored a two-page spread in the annual Grown in Montana magazine, started using Instagram, and have continued the public relations campaign we began last summer with regular postings on Linked In and inclusion in trade industry articles.

These efforts are paying-off in terms of new deals and a steady pipeline of leads and prospects. Later this month we'll exhibit at the annual SelectUSA Investment Summit in DC, then in July we'll exhibit at the annual IFT Food Expo in Chicago and network at the annual Pulse International event in Regina. We also have several press releases and events planned for the summer.

Business Startup, Expansion & Retention

We've continued outreach visits to primary sector businesses in the region, hosted our annual Fire Within event to celebrate female entrepreneurship, and have continued to offer a variety of business workshops including our monthly LaunchPoint, as well as Profit Mastery and QuickBooks Basics. Jason Nischke, our Small Business Development Center Director, was named State Star of the Montana network. We're

planning a new workshop series this fall focusing on planning for business ownership succession.

Downtown & Riverfront

The Great Falls Downtown Development Partnership achieved accreditation by the National Main Street Center, becoming the third downtown effort in Montana to do so. We supported several redevelopment projects with our brownfield program, including Play N Learn Academy's new 120-child facility, West Bank Landing, Howard's Pizza Wine Mill, and the YWCA. We won a new \$300,000 Brownfield Assessment grant from EPA that will enable us to support a number of new environmental assessments of potential redevelopment properties. We were able to get the downtown census tract 108 designated as an Opportunity Zone to take advantage of this new federal program to attract more private investment.

We hosted a workshop with local real estate developers and brokers to meet with the DNRC to discuss the 90-acre riverfront parcel it's getting ready to put on the market. We're gearing up to launch two new initiatives, one to try to attract more river-related recreation entrepreneurs and business expansions, and the other to brainstorm potential redevelopment/entrepreneurial ideas for targeted blocks downtown.

AgriTech Park

We've stood up the AgriTech Park Owners Association and transferred the Park's rail system to the Association. If you haven't been out to the Park recently, Montana Specialty Mills' new plant is really taking shape. We're working with some leads for lot 6 which is shovel ready, and are working with transload companies to try to attract one to develop a transload facility and food-grade warehouse in the Park.

Lending

Providing gap and bridge financing continues to be a key part of our strategies to get deals done. We recently closed loan packages to help two companies expand, \$40,472 to The Good Wood Guys in Great Falls, and \$350,000 to Pardue Grain on the Blackfeet Reservation to support development of its \$7 million pulse processing complex. We closed on an additional \$916,642 in loans to West Bank Landing to support the next phases of the riverfront project's development. We've also issued loan commitments to Jeremiah Johnson Brewing and Big Sky Managed Care.

Email, Linked In and Social Media

As part of our marketing efforts, we are trying to expand our email database, grow our networks on Linked In, and increase followers on Facebook, Twitter and Instagram. If you and/or your business/organization can help us in this regard, please contact Breonna Vereen on our team at BVereen@GFdevelopment.org.

Madison Food Park

I'd like to take this opportunity to address this proposed \$800+ million project. With the Madison Food Park, we have an experienced, successful entrepreneur who has an exciting dream of developing a state-of-the-art dairy, distillery and meat-processing complex right here in Cascade County, employing green development concepts and utilizing advanced technologies. It's an exciting dream that offers substantial

potential economic benefits for our community and region. It's a dream that includes local farmers and ranchers developing organic, hormone-free, and GMO-free products to sell locally and regionally. We are working with the entrepreneur as he puts his dream into a business plan. The entrepreneur has demonstrated a significant commitment by purchasing 3,018 acres of land, all without asking for any incentive.

Food, ingredient and agricultural processing offer a quadruple win for our region. First, we get the higher-wage manufacturing jobs and tax base. Second, we get the indirect jobs that come with manufacturing – everything from trucking to professional services. Third, we get increased agricultural production that requires farmers and ranchers to purchase more inputs and equipment. And fourth, farmers and ranchers have more opportunities to increase their revenue, which they then spend in the region!

Practically every project we're involved with has some detractors. Economic development is all about change. We exist because local public and private leaders are not satisfied with our current economy. We are agents of change, positive change, to create economic opportunity and improve our community and region. Change is oftentimes controversial.

The proposed Madison Food Park has generated more opposition than most projects. We've asked everyone to wait for the details of the project before making up their mind about whether it will be a positive step forward for Great Falls and the Golden Triangle region which supports much of our local economy. Our encouragement to wait for the project facts, study the project facts, and then decide whether to support the project has itself become controversial.

As a community-based non-profit, GFDA is locally owned and controlled. We take pride in being honest and as open about projects as we can be while respecting client confidential information. We've been accused of taking bribes, giving bribes, lying, and trying to destroy Great Falls, all of which are absurd. We choose to live here with our families as do you, our investors. We all want the best for our community!

We've also heard a few threats, and some pretty nasty discriminatory comments and negative things about our Canadian friends. Our community is better than this. It's a shame that a few extremists make such comments.

Most people we've heard from have the same questions we have on proposed projects -- questions about water, waste, workforce, transportation, operational impacts, supply and such. These are all questions that we will dig into when the project facts are available.

As you know, manufacturing businesses today are subject to extensive regulations. This project will be subjected to intensive regulatory review by a number of government agencies, and most likely some courts too. Rather than jump to conclusions about a project before we know the facts, or indict Montana agriculture and the entire dairy, distillery, and meat processing industries, let's wait until we have the facts and then decide as a community whether to support the project. The

dream is good; in fact, it's one many of us share. Now let's see what the project looks like when the entrepreneur has done due diligence and presents the facts.

Upcoming Events

GFDA/HPF Annual Meetings, June 28, 4:00 PM, Springhill Suites by Marriott in West Bank Landing

What's Up with Great Falls Economic Development public forum, Friday, June 29, Noon at Great Falls College MSU in Room B135.

THANK YOU for your support, investment, encouragement, and teamwork!

Let's be sure we don't miss a single opportunity to Grow Great Falls and the entire region. If you come across an opportunity, please give me, or one of our team members, a heads up! We're here to help make you and your business even more successful.



Brett Doney
President & CEO

If your company or organization hasn't yet invested in our regional economic development efforts, or if you are ready to increase your investment in the future of the Great Falls region, please contact me today at BDoney@GFdevelopment.org.

Enclosed: GFDA 1st Quarter 2018 Index
Great Falls Growth Highlights