



GFDA Quarterly Investor Letter

February 7, 2020

Dear Investors,

It's been a hectic five months since our last investor letter. I'm pleased to report that we have successfully launched the five new initiatives we announced in September.

Business Development Expansion

We expanded our business development team from 1.5 FTE to 4 FTE, stepping up our game in both business attraction, and business retention and expansion. Our team, led by Jolene Schalper, includes Nathan Reiff who is focusing on marketing and business retention/expansion, Tyler Menzales who is devoting half of his time to business development digital content, and Shannon Clancy who is devoting half of her time on business development databases.

We travelled out of state to meet with site selection consultants in Chicago, Dallas, and Edmonton, met with companies at the SelectUSA Canada event in Montreal, and met with companies in Los Angeles. We have increased our LinkedIn, Twitter, Facebook and Instagram targeted messaging efforts, continue to add content to our website, and continue to do market research to identify and pursue more target companies. Our increased business retention/expansion outreach visits have already produced results in finding expansion opportunities that we can help make happen. We've started a Top 10 campaign to get more businesspeople to sign up for our weekly Top 10 because we've found great leads from the Top 10 email blast and social media posts. See link below to our new 2020 Business Development Plan.

Downtown Business Development

Included in our expanded business development team headcount is our first full-time Downtown Business Development Officer, Christian Leinhauser. Christian started January 2nd working on downtown business retention/expansion and business/developer attraction. Funding for this new position is being split between GFDA Investors and the Business Improvement

District. We are in the process of wrapping up the targeted downtown block redevelopment visioning effort, then will start using the resulting development business cases to attract more investment downtown.

Small Business Development Center Expansion

We've grown our business coaching/training team, led by Jason Nitschke, from 1.5 FTE to 2.5 FTE and for the first time have a business advisor stationed on the Hi-Line to more effectively assist rural entrepreneurs and existing businesses in the Golden Triangle. Rich Gannon lives in Cut Bank and works remotely, travelling to meet with clients and working with them online. We are investing in better technology to more efficiently work with clients throughout the Golden Triangle which is the Great Falls trade area. Tyler Menzales continues to work half time on entrepreneurship marketing and client assistance. We've started Pitch Nights to spur entrepreneurial startups, and later this month will hold our first Reverse Pitch Night to generate ideas for businesses in targeted industry sectors. We've joined the rural chambers of commerce in the Golden Triangle and published our first monthly business column in the rural newspapers that will supplement our monthly webinars, LaunchPoint pre-business workshop and specialized trainings, including the popular ProfitMastery for existing businesses.

Procurement Technical Assistance Center Expansion

We've grown our government contracting technical assistance team, led by Lillian Sunwall, from 0.5 FTE to 1.0 FTE. Shannon Clancy has started working half time on this effort, enabling Lillian to focus on helping more advanced existing companies to go after more government contracts to grow their businesses.

Talent Attraction

Our first ever Talent Attraction Director, Soren Chargois, started work January 2nd. She has started connecting with employer recruiters – anyone you have on your team who works to recruit talent to move to the Great Falls region. We published the first annual Great Falls Livability recruitment magazine two weeks ago and have started daily postings of recruitment content on LinkedIn, Facebook, Twitter and Instagram. Our focus the first year of this effort is to provide tools and services to your recruiters to help them be more successful in recruiting out of town candidates, and to get recruiters in our region to work more closely together. We have also started Get Back to Great Falls holiday events to reach out to talent that moved from our region over the past decades. See link below to our 2020 Talent Attraction Plan.

GFDA Organizational Capacity

In addition to launching these five initiatives, we continued our ongoing economic development work including our two-and-a-half year old Food & Ag Development Center (led by Barnett Sporkin-Morrison), our Access to Capital lending efforts (led by Jill Kohles), Brownfield Redevelopment work (led by Lillian Sunwall), and the Great Falls AgriTech Park.

We've been working to strengthen our organization's capacity to generate more mission impact and further leverage your investor dollars. We won a \$650,000 financial award from the Community Development Financial Institution. This continues our track record of leveraging every local investor \$1 into over \$2 to put into economic development work in our region.

We hired Sarah Weaver as our new Lending Operations Specialist. Jill Kuntz, who leads our lending team, has transitioned into her new Loan Officer role and we have expanded our network of underwriting consultants to be sure we can quickly move deals through to fruition. Jana Williams, our Accountant & Officer Manager, led our team through another clean audit season.

We earned reaccreditation from the International Economic Development Council and recertification as a MicroBusiness Development Corporation from the Montana Department of Commerce. See link below to our 2020 Operations Plan.

Investment in GFDA Economic Development

THANK YOU for our growing team of investors in our regional economic development work! Investment Director, Teresa Schreiner, has been out meeting with long-time and new investors, listening to what your opportunities, challenges and priorities are.

We have reached 72% of our \$600,000 investment goal for the fiscal year that ends June 30. If we reach our goal, we will cover the costs of the five new initiatives we've launched and be able to start even more economic development efforts. See link below to our current Investor List.

We want to soon update the Investor section of our website, so we're asking all of our investors to fill out a very brief form we will be mailing out. We've decided to drop our subscription to the Proven Region web platform because only 5% of our investors were using it. It's important to fill out the form because your answers are what we will use when we refer clients who need your services. We always ask clients to talk with our great investors when they need products or services in the region!

Great Falls MSA Economic Stats

Here are a few stats released since our last letter:

Over the four quarters ending 2019Q3, total wages earned increased 5.03%, a growth of \$77 million, topping \$1.6 billion for the first time.

Great Falls ranked 9th amongst U.S. cities under 150,00 population in Top Cities Where Americans Start the Most Businesses; 23rd amongst all U.S. cities.

7.4% GDP growth in 2018, growing \$288 million and topping \$4 billion for first time. Real GDP grew 3.8% beating Missoula (3.3%), Flathead (2.0%), Yellowstone (1.9%), Lewis & Clark (1.3%), and Silver Bow (0.8%).

In last five years (2013-2018) our metro GDP grew 25%; private sector GDP 29%. In last ten years 2008-2018 GDP grew 42%; private sector GDP 48%.

Personal income grew 5.0% in 2018, well above inflation of 1.9%. Per capita personal income grew 4.9%.

What's Next?

We are working to secure resources for the expansion of four of our current efforts and creation of one more new effort.

1) Brownfields Redevelopment

We submitted an application to the EPA to secure another brownfield assessment grant so we can continue to fund phase 1's and 2's throughout Cascade County, helping businesses and developers to pursue redevelopment projects. And, we submitted an application to expand our brownfield clean-up lending work to include Cascade, Glacier, Pondera, Teton, and Toole counties.

2) Access to Capital

We are working on grant and loan applications to grow our loan capital pool to insure we have enough gold to fill financing gaps and bridges to make business start-ups, expansions, and attractions, and real estate development projects happen that otherwise would not.

3) Urban Entrepreneurship

We believe entrepreneur attraction and nurturing of new and existing entrepreneurs is a crucial part of the economic future of the Great Falls region. Last fall we were able to increase our rural entrepreneur coaching and training services. We're talking with the City of Great Falls to try to do the same thing with urban entrepreneurs, creating economic opportunity for everyone.

4) AgriTech Park & Transload

Five of the first six lots in the Park have been purchased and we have an offer on the final lot. We are exploring resources to develop the next phase of the Park and to attract a transload company to develop and operate a facility to serve businesses in the region. We just joined the Transload Distribution Association of North America as part of this initiative.

5) Opportunity Zone Investment Networks

Equity! Debt does not fill all capital gaps. Growing entrepreneurial ecosystems throughout the region. Bringing investment capital back

home to put to work while earning decent returns. Taking advantage of the Opportunity Zones in our region. Sound intriguing? We think so. We're looking at what has worked in other urban/rural/tribal regions and at securing resources to better match investment capital with entrepreneurial ventures. Stay tuned.

Great Falls Public Schools Elementary School Operating Levy

GFDA's Board voted unanimously yesterday to support the elementary school operating levy. We will step up our financial support of Kids Education Yes and voice our support.

Please encourage your colleagues, friends, and family to sign up for our weekly Top 10 by texting **GFDA** to the number **22828**. Follow us on Linked In: **www.Linkedin.com/companies/great-falls-development-authority** And, join our new Great Falls Social Media Champions: **<http://sot.ag/8v9fc>**

More importantly, **please refer** businesses, entrepreneurs and real estate developers to us. We may be able to help them make something happen that otherwise would not.

Thank you again for your investment which makes the work we do possible. If at any time you have questions, thoughts or concerns, please contact me at BDoney@GrowGreatFalls.org or 406-750-2119.

We are Hungry to Grow the Great Falls Region!



Brett Doney
President & CEO

If you have not yet invested or reinvested, contact Teresa Schreiner at 406-781-9499, TSchreiner@GrowGreatFalls.org. *The Great Falls Development Authority is a 501(c)3 charitable non-profit corporation and a certified Community Development Financial Institution.*

Enclosed: Investors in Great Falls Economic Development
2020 Business Development Plan
2020 Talent Attraction Plan
2020 Operations Plan