



2021

# SALIENT POINTS REPORT

PREPARED BY

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Barber Business Advisors  
Solutions in the Making

# Regional SWOT Analysis

Pursuant to an agreement with the Great Falls Development Authority, four consultants, members of the Barber Business Advisors (BBA) network, have spent time in Great Falls asking resident stakeholders about their thoughts about the city and the surrounding area.

These dozens of interviews, conducted virtually and on the ground, represent the Phase 1 Discovery part of what will become an economic development strategic plan, which will be drafted in cooperation and input from GFDA.

During this initial phase, the consultants were (and still are) seeking to determine the strengths, weaknesses, opportunities and threats to the city and what some call the Golden Triangle region. This is commonly referred to as a SWOT analysis.

The overwhelming majority of the interviews have taken place with people residing in Cascade County. The interviewees have included GFDA staff, GFDA board members, elected officials, major employers, educators and small business owners.

Not wanting to hear strictly from community leaders and major stakeholders, BBA, through the help of GFDA, also held focus group meetings, including two public forums. The combination of confidential interviews and focus group meetings have given the BBA project team a deeper understanding of the community.

This document outlines the observations not only of those interviewed but also the findings to date by consultants Christine Rambo, Tim Feemster, Barry Albrecht and BBA Principal Dean Barber.

Through the course of our interviews and focus group discussions, we heard many opinions, some of which conflict with one another. Some of the opinions laid bare by this process, we the consultants agree with. Some we do not but nonetheless believed it important to include in this "Salient Points" document.

Finally the overwhelming majority of viewpoints listed in this document are city centric per the fact that few interviews have taken place with residents outside of the city. BBA plans for future virtual interviews in the surrounding region.

As a SWOT analysis stands for Strengths, Weaknesses, Opportunities and Threats, we list our salient points in that order. Some of these points may come off as brutal facts while others are subjective viewpoints. We invite you, board members of GFDA, to weigh in with your thoughts.

## Strengths

- Cascade County saw modest population growth between 2010 and 2020, picking up more than 3,000 residents and reversing a decades-long trend of no growth.
- Great Falls has a sizable downtown. There is general optimism that it has improved and will continue to improve. 119 new businesses opened downtown between 2011 and 2020.
- The Missouri River is considered one of the most scenic rivers in Montana and draws tourism, but it is also considered an underutilized asset due to lack of commercial development and accessible recreational opportunities.
- Tourism industry is larger than perceived with 1 million overnight visitors per year, spending \$160.3 million annually. The Great Falls is branded as the “Basecamp” between Glacier National Park and Yellowstone National Park.
- Strong health care sector with two main providers: Benefis Health System and the Great Falls Clinic, and the rapidly growing Alluvion Health
  - Touro Medical school announcement will bring in 125 students each year
  - Both Great Falls College MSU and the University of Providence offer nursing and healthcare programs.
  - Alluvion Health is investing \$20 million to renovate an historic downtown building which will centralize a for-profit laboratory, pharmacy, and nearly all of its services in one location.
  - Great Falls College MSU plans to develop a College of Nursing.
  - McLaughlin Research Institute has a new director with aggressive growth plans.
- The Golden Triangle region is a production center for a wide assortment of grains and livestock, the quality of which some say is the best in the world.
  - Wheat and barley
  - Pulse crops: peas, lentils, canola
  - Produce grown in the Hutterite colonies
  - Livestock raised in the region
- Manufacturing presence in Great Falls region can be nurtured and grown: (representing 3.5% of total employment)
  - Calumet, 190 employees
  - ADF, 150 employees
  - Conagra
  - Loenbro, 209 employees
  - Pacific Steel
  - Montana Specialty Mills, 30-40 employees at two locations
  - Montana Eggs

- General Mills, 45 employees
- Pasta Montana, 125 employees
- DairyGold
- Graincraft
- Malteurop
- Columbia Grain(add?)
- Community is open to charitable giving, which is substantial, indicating a potential for greater investment in economic development.
- GFDA region and Cascade County have seen a 2% and 4% increase in population with most of the growth happening in minority communities
  - Population in Great Falls grows to nearly 100,000 during the day, counting thru traffic. Medical draws folks to the city as daily commuter visitors
  - Hispanic or Latino population growing in the Region and Cascade County
    - 43% growth rate in the region from 5,894 in the 2020 U.S. Census as compared to 4,115 in the 2010 Census
    - 48% growth rate in Cascade County from 4,012 in the 2020 U.S. Census as compared to 2,711 in the 2010 Census
  - Similar to national population trends, the Region and Cascade County have experienced growing diversity. Only the white-alone demographic declined 1% in Cascade County and .5% in the Region over the last ten years. (2020 U.S. Census)
    - African American alone grew 16% for the Region and 13% in Cascade County
    - American Indian/ Alaska Native alone grew 9% in the Region and 14% in Cascade County
    - Asian alone grew 37% in both the Region and Cascade County
    - Native Hawaiian and other Pacific Islander alone grew 54% in the Region and 35% in Cascade County
    - Persons of two or more races have more than doubled in the Region and in Cascade County
- Educational Attainment Rate for Great Falls, MT of 92.1% which is higher than the national rate of 89% (JobsEQ 2021). Generally, people have favorable views of the public school system.
- BNSF railyard is active, serving rail sites in the area.

- Cost of living in Great Falls is 89.5% of the national average whereas Bozeman's cost of living is 112.0% of the national average. (COLI Q3 2021)
- Great Falls International Airport offers thousands of acres of available land for lease with several hundred acres on I-15. Note: Generally speaking, commercial/industrial prospects are not interested in raw land but the properties that are fully served by utilities and "ready to go."
  - FedEx regional hub is located at the airport
  - Has FTZ
  - Avmax, a MRO, is located at Airport
  - Holman Aviation
  - Air National Guard

### **Defense Sector:**

- Malmstrom AFB and the Montana Air National Guard serve as anchors in the economy and provide economic stability.
  - Malmstrom supports 4,000 civilian and military jobs.
  - Military presence brings diversity and intellectual capital to Great Falls.
  - Military spouses increase the workforce
- New federal leadership will have a positive effect for the Installation. U.S. Senator Jon Tester serves on the military defense appropriate committee.
- The community works well with Department of Defense Office of Local Defense Community Cooperation

### **Weaknesses**

- Generally, Great Falls is characterized by lower-paying jobs. Average annual wages are 71 percent of the national average, 93 percent of the statewide average. That relative lack of higher-paying jobs, most of which are service-sector related, limits prosperity. Wages, however, have been increasing, a national phenomenon.
- Residential construction has not kept up with demand, leading to a housing shortage. The housing market is dominated by local builders whose business model is to build only a few single family houses a year. Housing Market Demand Study is underway.
  - 50 residential builders; 20 commercial builders (source: Home Builders Association)

- The median number of permits for single family homes over five years (2015-2020) is 45 annually for Great Falls and 91 permits annually in Cascade County (source: Home Builders Association). The median number of multifamily housing units in Great Falls is 7 annually over a five year period.
- Perceived difficulties with permitting and planning have created a barrier to growth
- Quality of soil has increased the cost of construction and created an unfavorable tort environment
- NeighborWorks Great Falls tries to address the great need for affordable housing.
- Limited industrial and commercial real estate inventory (Great Falls sites):
  - One 56-acre
  - Two 20-acre sites
  - Larger optioned property of 200 acres
  - Six available, larger Class C industrial buildings; many of the properties do not have ceiling heights needed in modern manufacturing. These properties do not show well.
  - Agritech Park: five lots, 700 acres
  - Limited class A office and industrial spaces and no refrigerated facilities operating in the area
- Business climate tends to dampen entrepreneurship and economic growth.
  - Strained relationships (distrust) between City and County governments
  - City of Great Falls is risk averse in supporting and promoting economic growth:
    - Not a direct financial supporter of GFDA, whereas the County is
    - Permitting, planning, and regulatory climate is perceived by some as not conducive to economic growth; others report it is not a problem
    - City is viewed by some existing small businesses to be unreasonable and obstructionist on permitting issues related to construction/rehabilitation
    - A major employer distrusts the City as it believes it was betrayed on financial incentives for an expansion project.

- General lack of collaboration/trust and teamwork among some economic development partners:
  - Strained relations between Chamber and GFDA
  - Strained relations between GFDA and the City of Great Falls
  - Strained relations between the City and County governments
  - Strained relations between the Airport Authority and the City
  - Strained relations between NeighborWorks Great Falls and the City
- Social issues impact economic recovery and growth
  - Perceived rise in homelessness/vagrancy
  - Services provided by nonprofit social agencies blamed by some residents and leaders as bringing more homeless people to Great Falls.
- Higher crime rates per capita than state and national averages.
  - Property crimes per capita (per 1,000) are about twice the national average
  - Violent crimes per capita (per 1,000) are also higher than the national average
  - Interstate 15, extending from Los Angeles to the Canadian border, viewed by law enforcement as a drug-moving corridor.
  - Extensive retirements within the city police department.
  - According to the FBI Uniform Crime Reports, the crime rate peaked in 2018 and has been dropping over the last two years
- Limited number of commercial flights. Business travel is reduced due to COVID. Future flight reductions possible due to the threat of 50- and 70-seater regional jets being decommissioned.
- Lack of quality and quantity in workforce
  - Great Falls' labor force participation rate of 61.3% is lower than the state and national rates of 63.2%. (source: U.S. Census)
  - The latest September 2021 labor force participation rate for Montana is 61.9%, and the national rate is 61.6%. The labor force participation rate for Great Falls has not been released as yet, so we can't determine if the MSA is currently in line with state and national trends.
  - Gaps exist in higher skilled occupations (JobsEQ)

- Healthcare
- Management
- Education
- Construction and extraction
- Community and social services
- Installation, maintenance, repair
- IT, computers, and math
- Architecture & engineering
- Weak industrial training at Great Falls College MSU with little interaction with employers. No value-added ag or food processing program at the community college.
- Great Falls College MSU indicates a lack of support from employers, while some employers say the college does not seek their input on curriculum.
  - One major employer indicated they offered to provide instructors for their classes but GFC MSU didn't follow through
  - Some employers say they can't guarantee positions for GFC MSU graduates due to fluctuations in job openings which is less of a problem now.
  - Other employers say the GFC MSU graduates lack soft skills.
- Some employers have excellent talent recruitment/retention programs but others don't. Historically, some employers have not supported educational and workforce training programs.
  - Truck driving and carpentry programs died for lack of business support and low enrollment
  - Apprenticeship/internship programs not widely supported
  - Private sector has not stepped up to champion workforce development
- Workforce training resources as a whole are lacking in the community, probably the single largest weakness.
- State support for workforce development is lacking, pointing to a systemic problem.



- From employers' standpoint, severe workforce issues related to availability, soft and hard skills, and work ethic. (Not unique to Great Falls.)
- Manufacturers cite high turnover rates, ranging from 35% to 70%.
- Some redundancy in vocational training at the high school level
- Lack of collaboration between Community College and K-12 public schools, although dual credit does exist.
- MSU's workforce training development and implementation for employers is slow
- Manufacturers outsource production to firms outside of Great Falls to handle peak volumes due to lack of workforce
- Lack of funding/equipment for workforce training (e.g. CNC machines)
- High school completion rate for Great Falls is below the state average: 83% for Great Falls High School District vs. 86% for the State of Montana
- Multiculturalism/diversity/inclusion is largely not embraced. Native Americans deal with historic systemic racism. Additionally, discriminatory comments about Hutterites are common.
  - Native Americans have the highest suicide rates as a subset
    - Highest dropout rate
    - High substance use disorders rates
    - High homelessness rate
  - In migration of people from other states especially California and Washington not seen favorably by some in the community
- Despite the Golden Triangle producing one of the highest quality of grains and livestock, relatively few value-added products are being produced, due in part to transportation costs, workforce issues and local market size.
- The commercial corridor along 10th Avenue does not show well.
  - Prevalence of casinos and many aging buildings
  - Mall has lost many of its retailers, reflecting the national trend in the decline of brick and mortar retailers. The property is deteriorating, but outlying properties appear to be doing well.
- The region has a longstanding negative self-assessment but takes pride in being blue-collar or "genuine Montana" unlike other cities in the state. (A two-sided coin)

- Lack of pride in place depresses civic involvement and support of economic development
- Lack of community identity and vision prevents collaboration and rallying around a focused strategy
- Manufacturing sector is small, representing only 3.5% of total employment in Great Falls
  - No manufacturing council of companies to interact with GFDA or community colleges/trade school training to define skills needed; State is connected with Mfg council at Montana Chamber
  - Many in the community are not open to the startup of a large meat processing operation; Downsized operations might be acceptable.
- Electric grid needs infrastructure upgrades
  - 60% of energy portfolio already in renewable energy because of hydropower
  - Concerns about brownouts as coal is phased out
- Out-migration of the best and brightest out of Great Falls because there is no public four-year university in Great Falls.
- Lack of public support for new economic development and tax revenue for continued investment in infrastructure

### **Military:**

- No defense contractors' offices in connection to Malmstrom Air Force Base due to the type of mission at the base
- The Military Alliance has limited knowledge and understanding of what the community can do to support the missions and personnel. Need a high ranking military personnel as part of the group.
- Limited linkages between Malmstrom AFB and the local business community.
  - Employers are unaware of the unemployment numbers of military spouses and workable dependents
  - Employers and military personnel are unaware of any local community "Hire a Vet or Spouse programs."
  - Limited organized recruitment of military spouses or retirees
- Malmstrom AFB, MT's BAH is still below the market rate for rental housing.

- The housing shortage in Great Falls means most military personnel can't find housing off base.
- Military personnel have a perception of “fair or below fair” rating of the community’s K-12 school system due to a recent report. [source: The Department of the Air Force Support of Military Families (SoMF) Initiative]
- Military personnel have a perception of lack of child care services in the community. GFDA’s childcare study has been completed.
- The lack of defense contractor footprint within the community is driven by the AFB’s mission and industry knowledge of community capabilities
- A low percentage of retiring Air Force personnel remain in Great Falls (source: Military Defense Alliance & Army National Guard).
  - No active recruitment of military retirees and exiting veterans
  - 360 military exits annually (JobsEQ, 2016)
- Missile parts are being stored in Salt Lake as opposed to Malmstrom.

### **Transportation & Logistics:**

- Truck driver shortage- no CDL training in Great Falls. Previous truck driving training program died from lack of enrollment and employer support.
- Closest town populations are Helena (90 miles); Butte (115 mile); Missoula (165 miles); Bozeman (186 miles); Billings (219 miles); Salt Lake (590 miles); Boise, ID (600 miles); and Cheyenne, WY (672 miles)
- BNSF has a rail yard but very primitive transload operation that is not currently active
- Some value-added food processors indicate that transportation costs is the single greatest constraint to the growth of the value-added agricultural sector in Great Falls
- Transportation costs via truck are estimated at 20% higher than in other regions and states
- North-South Interstate highway (I-15), but no corresponding east-west interstate. Closest east-west interstate corridor is Interstate 90, two hours to the south.
- East-west highways are not developed to modern standards.
  - U.S. Highways 87 and 191 to Billings
  - U.S. Highway 287 to Missoula

### **Opportunities**

- Tourism offers an opportunity to bring more awareness of Great Falls and economic impact
  - Since COVID, visitation to Glacier National Park and Yellowstone National Park have increased substantially
  - Visitor demand has increased by 4.6% since 2019
  - Potential for development and growth on the eastside of Glacier National Park
  - Opportunities to increase tourism in Spring, Fall and Winter seasons
- Potential for cross-border Canadian-U.S. food corridor extending from Calgary-Lethbridge to Great Falls
- Planned warehouse/light industrial/ commercial use properties available at Great Falls International Airport.
- Transload facility to reduce the higher truck transportation costs to local manufacturers due largely to geography, population, economy of scale, destination markets
- Talent recruitment within the state as other markets are pricing out young professionals due to skyrocketing housing costs
- Missouri River is currently underutilized but is available for further development for improvements in quality of life and tourism
- Hemp processing plant opened in Chouteau County
- Attract and/or start up a packaging manufacturer to support value-added agri-manufacturers
- STEM education within K-12 and higher education
- GFDA agri-specialist can help strengthen interactions and connections with existing agri-associations around the state.
- Potential for data center investment due to low cost electricity and abundant water supply.
- Biofuels from agricultural products:
  - Calumet plans to invest \$200 million to convert portions of its facility for renewable diesel, converting a significant portion of its Great Falls facility to process renewable feedstocks and will produce 12,000 barrels per day of renewable fuels upon completion.

## **Military**

- Installation has capabilities and opportunities to expand its missions.
- The Air Force and National Guard are adding 100 new positions this year, but recruitment of clearance level personnel is challenging.
- Grant opportunities to improve infrastructure to Malmstrom AFB
- Further research would improve the accuracy of the military's scoring of Great Falls as a community

## **Threats**

- Pilot shortage and the decommission of smaller 50 & 70-seater planes could eventually lead to fewer flights at the Great Falls Airport potentially increasing landing fees/aircraft and subsidy requirements
- Rival communities in Montana will outpace Great Falls economically
- Fourth Industrial Revolution increases the need for digital skills in the workforce.