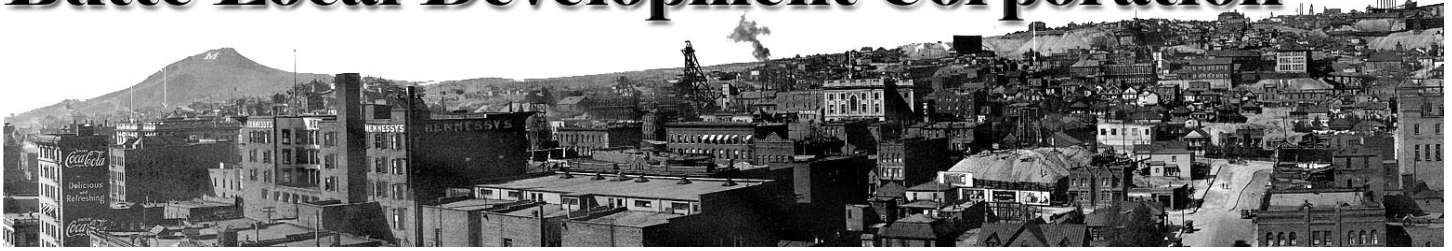


Butte Local Development Corporation



FALL 2006

SEPTEMBER 15, 2006

Montana BEAR Program

One of the most important aspects of a community's economic development is the expansion and retention of its existing businesses. A community's business climate is a measure of the strength of its local economy and a determining factor for the possibilities of future growth. The Business Expansion And Retention (BEAR) program is designed to deal with both expansion and retention and business climate issues. The Butte Local Development corporation contracts

with Headwaters RC&D to administer the BEAR program for seven counties in Southwest Montana. The BEAR program offers support and assistance to the hometown businesses that sustain our local economies. In essence, the BEAR program is our way of saying "Thank You for keeping your business in southwest Montana."

The BEAR program follows a simple but effective procedure. The first step consists of an interview with the business owner or local manager. The BEAR interview process helps bring out very important information concerning the business. The business owner or manager can feel comfortable knowing that this vital information will be held in the strictest confidence by all

participating in the program. Next, a team of experts will review the interview data and suggest resources that may offer you new means by which you can reach your goals. Finally, the interview team will review the suggestions with the business and answer any questions they may have concerning the information. A follow up contact will be made approximately six months after the initial interview to see how the business is progressing in meeting their goals.

The BEAR program was originally offered in Billings, Butte and Kalispell, however Montana Governor Brian Schweitzer recently announced this program will now be available for the rest of Montana

One of the major significances

of having a statewide BEAR program is the data collected from the local businesses throughout the state. The interview data is entered into a web-based system that will allow state and local officials to review data that is a measure of the business climate, identify important issues having a positive or negative effect on businesses, and determine how state and local governmental services are meeting the needs of businesses. This data will be extremely useful in helping legislation that will assist Montana businesses.

For more information about the BEAR program contact Jim Smitham or Andy Zdinak at the BLDC at 723-4349 or e-mail bldc@bldc.net.

Announcement:

The BLDC has signed a lease with Water and Environmental Technologies (WET) to occupy space in their new building currently under construction on East Park Street. The building has been named the "Moonlight Professional Building". BLDC's offices will be located on the ground floor with easy access to ample parking. It is generally felt by the BLDC staff and Board of Directors that the new space will provide a more professional environment from which to do business. The BLDC is also excited to be a supporter and participant in the revitalization of the East Park Street area. The facility is expected to be completed in November 2006. An open house will be hosted after completion.

Butte-Silver Bow is one of the fastest growing counties in Montana. This is according to data recently released by the University of Montana's Bureau of Business and Economic Research. Butte is now ranked 17th in the state for growth in non-farm income for 2003-2004, 30 places above its previous rank. Previously the data in this category indicated that Butte-Silver Bow had a -1.2% growth for the time period 2000-2001. Economists indicate the growth in non-farm income is a good indicator of the local

New Growth Statistics for Butte-Silver Bow

economy's strength. The 2003-2004 statistics are the most recent available.

The Bureau of Business officials attribute a portion of the new growth to Montana Resources reopening their mining operations in 2003, which created 350 jobs for Butte. Butte's non-farm income is projected to increase even further with the addition of SeaCast Inc., Three Bears Alaska, and Panterra Minerals. These projects will initially employ approximately 130 people in the coming year. This will lead to a strengthening of Butte's econ-

omy and higher ranking against other Montana counties in the future.

"Butte has come to rely less on the major employers," Jim Smitham, Executive Director of the BLDC stated, "We're not focusing on attracting the big 400 or 500 person operations alone. If we locate companies with 30 to 40 employees at a time in different areas, that's the more stable thing to do versus the home run. If we keep hitting singles, they all add up." If the trend continues, Butte will continue to climb in the ranking.



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Three Bears Alaska Update

Three Bears Alaska broke ground on 8/18/06 for their new 61,000 square foot store located on Mount Highland Drive. The location is just west of Thunderbolt Harley-Davidson and the High Altitude Speed Skating Center. Three Bears Alaska is a traditional grocery store that also sells items in bulk. Many of the products are the same brand sold at Costco stores. The store will also feature a pharmacy, appliances and a gas station. The facility will employ about 85 employees and is scheduled to open in spring 2007.

The BLDC, Butte-Silver Bow, Chamber of Commerce and several other entities in Butte have been working with Three Bears Alaska for several months to ensure this project came to fruition. This major investment by Three Bears Alaska in Butte will spark additional retail and commercial development in the area along Mount Highland Drive. They will be a great addition to Butte's business community by strengthening

our retail sector and drawing more shoppers from the region into town.

Three Bears Alaska applied to Butte-Silver Bow Council of Commissioners for tax abatement under the State of Montana's New and Expanding Industries Property Tax Incentive program. The program will reduce the taxable valuation (up to 50% of their taxable value for the first 5 years) during the first 9 years after construction or expansion. At the end of the tenth year, Three Bears Alaska will pay full property tax assessment. As part of the tax incentive, certain conditions such as trees and landscaping will be installed on the north side of the property to shield neighbors and the store will keep lights and signs to a minimum.

Three Bears Alaska also recently received approval from USDA Rural Development for a loan guarantee of \$7.5 million on the final financing package through Montana Growth Capital. The USDA Rural Development loan guarantee program is utilized by many to

secure project financing.

BLDC Annual Meeting and Dinner

The Butte Local Development Corporation Annual Meeting and Dinner was held June 15, 2006 at the Red Lion Inn. There were 63 people in attendance. Lieutenant Governor John Bohlinger served as the key note speaker for the evening. The business portion of the meeting was presided over by President Joe Figueira, who gave the Presidents Report on the overall operations of the BLDC. Executive Director Jim Smitham reported on the economic development activities that took place during the preceding year.

Prior to the dinner a no-host reception was held at which several new businesses who had been assisted by the BLDC set up displays and answered questions pertaining to their operations. As a result of the positive feedback, this event will continue to be incorporated with the BLDC Annual Dinner.