

MAIN STREET MONTANA PROJECT

A BUSINESS PLAN *For Montana by Montanans*

Small Business KIN Meeting Minutes

January 13, 2015

11:00 AM – 4:00 PM

Helena, Montana

Prepared by Michaela Wolfinger, Allison Mouch, Mary Craige

KIN Members Present

Mike Dowling, Dowling Studio Architects, Helena

Nick Checota, Missoula, Top Hat

Maggie Doherty, Kalispell Brewing Company

Sarah Calhoun, Red Ants Pants, Red Ants Pants Foundation – Co-Chair

Scott Brown, Owner, Base Camp– Co-Chair

Nick Kujawa, Hennesey Market, Butte

Courtney McKee, Headframe Spirits & Manufacturing, Butte

Tara Christenson, Farm Equipment, Sidney, 12+ employees

Al Swanson, Furniture Studio in Helena

Charlie Beaton, Great Dipper Ice Cream in Missoula, franchise in Helena, soon to be Billings (*On phone*)

Jim Stranger, Helena Motors and Helena Auto Center (*On phone*)

KIN Members Absent

Alex ‘Papu’ Rincon & Serena Rundberg – Nova Café, Bozeman

Betty Stone, Cottonwood Inn, Glasgow

Anita Taubert, Lou Taubert Ranch Outfitters, Billings

Robert Thaden, Tongue River Vineyard/Winery, Miles City

Paige Williams, Film Spur and Porch Productions, Missoula

Staff/Public

Luke Wallawander, Economic Development Director, Beartooth RC&D

Wayne Gardella, District Director of MT Small Business Administration

Andy Shirtliff, Small Business Ombudsmen

John Rogers, Governor’s Chief Economic Development Officer

Mary Craige, Montana Department of Commerce

Allison Mouch, Montana Department of Commerce

Meeting started at 11:00 am. Co-Chairs welcomed group and thanked them for agreeing to serve. Each KIN member introduced and indicated their organization.

11:15 AM: The Governor joined the group. He provided an overview of the Main Street project and thanked the KIN members for their willingness to participate. Nick Kujawa asked Governor Bullock about whether there was legislation related to historic investment tax credits this session. Maggie Doherty asked about the highway 93 bypass project in Kalispell.

11:45 AM: The members of the KIN engaged in a exercises of the “One Big” Thing that would benefit the Small Business and Downtown Industry Sector

One Big Thing for Small Business and Downtown:

- Directory of Resources for Business
 - One-stop
 - Education materials to inform residents about MT small business
 - Network of all Business by sector
- Entrepreneurial law – clinic/startup workshop
- Advocacy for retail in particular
- Main Street locations; clustering, incentives, tax; grants
- Destination stores in downtowns
- Education on why retail downtown makes sense
- Policy decisions that promote vibrant downtowns
 - Laws; regulations
- Community needs / promotion as part of a clearinghouse site
- Infrastructure to allow expansion; incentives for business- cost offset
- Business – Business buy local (services)
- Better marketing coordination
- States-region-local, tether efforts
- State EBS Investments or other invitations to invest
- Local Business Liaison
 - Facilitate ideas / act concierge as to assist travelers
- Raising Minimum Wage
- Public Relations Effort
- “Entrepreneurial” resources
- Remove business equipment tax and other barriers to expansion
- Bank of MT (ND Model)
- Streamline business ownership transfers
 - Clearing house for MT business properties for sale

12:30 PM: Joe Ramler from the Department of Commerce provided an overview of the Montana Economy with specific attention to small businesses.

12:50 PM: Jim Molloy provided an overview of the Main Street Montana Program highlighting the efforts done to date and an overview of the work ahead.

1:05 PM: The members of the KIN engaged in a exercises of the “One Big” Thing and a SWOT analysis of the Small Business and Downtown Industry Sector

SWOT Analysis

Strengths of MT Small Businesses and Downtowns

- Quality of life
- Supportive communities
- Accessible government
- Beautiful infrastructure (Buildings, streets)
- Strong ethics
- Access to outdoors
- Strong art creative
- No commutes adds “time in our day”
- Small Business & Downtown brings business
- Low cost-of-living
- Educated workforce
- Love by residents of Montana
- Freedom to dream big / have influence as an individual or business
- University size – branches and overall numbers allows access for small business
- No sales tax
- State government has a surplus
- Quality of product
- Downtown “heart/hub” of MT communities
- Vertically integrated industries (alcohol for example)
- Nimble communities

Weaknesses of MT Small Businesses and Downtowns

- Internet tax
- Global economy (oil and commodities)
- US fiscal policy
- “Anti-growth” attitude by some MT residents
- Legislative structure
- Global impacts (climate, terrorism)
- Aging workforce
- Healthcare delivery / costs
- Small population and huge state
- Dependence on federal money

Opportunities of MT Small Businesses and Downtowns

- Bring back MT youth / mid-management positions
- Keep MT youth / mid-management positions
- 2 year education / training
- Matching education / training to industry needs
- Regulation reduction because of influence / ease of access to decision makers
- Brand for MT Business and tie to Small Business & Downtown
- Beauty = Business
- Collaboration opportunities
- Tax incentives
- Industry expansion opportunities - bring in web based business
- Shared space (manufacturing for example)
- Globe is now our market place
- MT is sexy

Threats of MT Small Businesses and Downtowns

- Brain drain / lack of opportunities for youth
- Distance between & small size of communities
- Aging infrastructure
- Broadband issues (cellular and internet)
- Aging buildings (housing, commercial)
- Workforce availability
- Workforce not trained for specific industry needs
- High turnover / career ladder limited
- Weather (weakness and strength)
- Seasonality (regarding weather and college)
- Transportation challenges
- Legal barriers (licensing for example)
- No sales tax
- Focus of economic development on trying to land the big fish

2:15 PM: KIN members then reviewed each of the five Pillars and provided ideas as to what was important under each Pillar to Small Business and Downtowns.

Pillar 1

- Entrepreneurial training of next generation of small business owners; apprenticeship programs looking at expansion
- International baccalaureate program – Missoula City schools, expansion to all MT school districts, acceptance of IB certificates
- Internship programs, mentorship, leadership training
- Public/private partnerships, clearinghouse for information, reach out to alumni
- Teacher training and hiring; look at partnerships with schools and things like manufacturing day (Kalispell example), develop model
- Better integration of business into education/direction – incentivize business owners to get involved in teaching courses at high school, college?

- Promoting from within; prioritize and invest in your existing workforce, via training and advancement. Does not create new jobs but promotes the ‘grow local’ movement

Pillar 2

- Better understanding of the resources available to small business – not just at statewide level but facilitating at the local level as well – Innovate MT, web portal/clearinghouse for resources
- Make it easier for business to access capital – finding, applying and accessing funding sources can be a full time job. Let me be excellent at what I do, bring me the resources I need, don’t make me go out and find
- Streamline state resources, webpage; streamline access to capital

Pillar 3

- Increase ag co-op opportunities; local-to-market incentives, awareness. VALUE ADDED
- Discussion of income tax, annexation policy, access to public resources & infrastructure, getting additional population to pay for necessary improvements to grow business. Example of Sidney residents living in trailers, taking all income with them at the end of two weeks, aren’t taxed for the impacts they are having on the services while they are in town
- Incentivize reuse and remediation of brownfield sites, historical structures in downtown areas – help financing these types of efforts

Pillar 4

- Montana ambassadors – don’t necessarily want all Montanans to stay in MT indefinitely, but want those who grew up here and leave to come back – enhanced level of investment in community after seeing what else is out there and deciding to return, rather than feeling forced to stay
- Strengthen success stories throughout the state – small business owners are one of our biggest marketing assets.
- Partnership across state lines, looking at combining transportation options and available networks (also cross-references Pillar 5)

Pillar 5

- Shared space, shared resources – expand business resources, in part from a service based concept but also manufacturing
- Event – business to business opportunities, leadership

3:30 PM; The KIN discussed “Where do we go from Here?”

The plan is, one year from now, work should be wrapped up. Each member then signed up for subtopic areas to have brief discussion on action steps and ideas. These would be brought back to full group at next quarterly meeting. Governor’s team will look at overlap among KINS’ action steps to foster collaboration.

- Look into marketing our services and expertise to other parts of the country; grain growers association, industry knowledge to grow internally but highlight our successes in this state

Next steps are scheduling phone conference calls; Next in-person meeting in April, September, final follow-up in December

Meeting adjourned at 4:00 PM

Small Group Assignments

Break Out Group #1: Capital Resources and Incentives

Members: Nick Kujawa, Mike Dowling, Tami Christensen, Scott Brown, Nick Checota

Break Out Group #2: Business-to business and marketing

- Shared spaces, collaborative opportunities, made in MT expansion, sustainability

Members: Scott Brown, Mike Dowling, Al Swanson, Sarah Calhoun, Nick Checota, Charlie Beaton, Courtney McKee, Maggie Doherty

Break Out Group #3: Nurture New Business: Promote externally; Resource collaboration; Incubators

- Clearinghouse site, externally, globally

Members: Courtney McKee, Nick Kujawa, Sarah Calhoun, Charlie Beaton, Al Swanson, Maggie Doherty, Nick Checota