

Summary of the *Flathead on the Move** Forum

November 4, 2004

West Coast Center Hotel – Kalispell, Montana

The Flathead Valley finds itself in the midst of tremendous change – change brought about by forces well beyond the control of valley residents. These forces arise from fundamental shifts taking place in the United States' economy. Technological advances in communications and transportation are causing businesses to restructure. Small, agile businesses are replacing large, structured companies; manufacturing and services are redistributing themselves and spreading from metropolitan cities to small urban settings; workers no longer aspire to spend their careers in one place with one firm; investments and other sources of non labor personal income are increasing in importance. The result is that people and business are now much freer to locate themselves for reasons other than proximity to market. Quality of life in the Rocky Mountain West has emerged as magnet for many people and businesses – so much so that the region is now referred to as America's "Third Coast."

On September 22, 2004, Flathead Valley community leaders gathered at an economic forum to study these forces. Participants listened to results of an exhaustive analysis of the Flathead Valley's emerging economy and discussed implications. They considered the lessons to be learned; they identified issues needing further examination; and they began a community dialog on how the Flathead can position itself for success. Five issues surfaced as important for Flathead residents to address: creating civic dialog; responding to rapid growth; developing a qualified workforce, strengthening the infrastructure, and modifying the tax structure. A second forum was held on November 4, 2004, to specifically address these five issues. Participants broke into work groups to develop community action plans for each issue. This report summarizes the results of the November 4th forum.

**Flathead on the Move* is part of *Montana on the Move* which is sponsored by the Center for the Rocky Mountain West and the Public Policy Research Institute at the University of Montana and the Foundation for Community Vitality. Local entities participating in *Flathead on the Move* include: City of Kalispell Mayor's Office; City of Whitefish Mayor's Office; Jobs Now, Inc./Flathead County EBA; Flathead County; Bigfork Area Chamber of Commerce; Columbia Falls Chamber of Commerce; Flathead Valley Community College; Kalispell Area Chamber of Commerce; Lakeside-Somers Chamber of Commerce; Montanans for Multiple Use; National Parks Conservation Association; and the Whitefish Chamber of Commerce.

➤ *Review Demographic and Economic Trends*

During the September 22nd forum, Dr. Larry Swanson, Associate Director, Regional Economics, Center for the Rocky Mountain West, presented his findings from an exhaustive study of the national, regional, state, and local economic trends and discussed implications for Montana and the Flathead Valley. The November 4th forum began with a quick summary of that presentation:

- Montana is part of a national domestic migration pattern in which people are moving to the Rocky Mountains and out of the central plains. Much of this population shift consists of “pre-retirement baby boomers” who relocate out of choice rather than necessity and who bring significant non labor income sources with them. This trend can be expected to continue for another 10 to 15 years.
- Economic strength follows population strength: population growth means economic growth and diversification; population loss means economic loss or stagnation.
- This national pattern has created three very different “states” within Montana:
 1. People are flocking to the mountains and forests of the *western region*;
 2. Fewer people are moving to the Rocky Mountain front of the *central region*; and
 3. People are leaving the open plains of the *eastern region*.
- Population growth in the western and central regions is centered in and around Montana’s cities; urban services, culture, and environmental beauty play critical roles in drawing people and creating economic opportunities.
- The changes in Western Montana’s and the Flathead Valley’s economies mirror those of the entire Rocky Mountain region: the economic importance of resource commodities (mining, agriculture, and timber) is declining while that of human resource services (healthcare, business services, and finance, for example) is increasing.
- Recent transportation and communications technological changes enable the U.S. economy to disperse. Economic activity once confined to metropolitan areas is beginning to migrate to smaller urban areas that offer business, personal, educational, and recreational amenities – small cities like Kalispell and surrounding communities.

➤ *Lessons for the Flathead Valley’s Emerging Economy*

Dr. Swanson concluded his presentation with eight lessons for the Flathead Valley’s emerging economy:

- **Look Forward** Strategies for economic improvement must reflect where the economy is going, not where it has been.
- **Customize Strategies** Understand our local strengths; confront our local weaknesses. We must customize strategies and link to broad goals to our unique local conditions.
- **Cities Matter** Growth is focusing in and around “city regions”. More attention needs to be focused on the needs of Montana’s cities, such as Flathead Valley communities, as the settings of economic growth, diversification, and advancement. We need to assist cities, not deny that we have any.
- **Urban-Rural Relations Matter** Economic development town-by-town or county-by-county is difficult. The Flathead Valley’s economy is strongly linked to its surrounding rural neighbors.

Influencing local economies sub-region by sub-region with healthy urban-rural partnerships has potential.

- **Become “Learning Communities”** Successful businesses are adaptive businesses. Successful communities are adaptive communities. Adaptive communities must be “learning communities,” keeping abreast of change.
- **Think about “Regional Positioning”** The Flathead Valley’s economy can’t be remade by local leaders. Local leaders can find ways of better positioning themselves – businesses, schools, work forces, governments, families – for future change. Anticipate future change and position for it.
- **Human-Resource Based Economy** The economy is less and less “natural resource based,” and more and more “human resource based.” Well-designed, well-funded, adaptive systems for education and work force development are essential for the Flathead Valley’s economic prosperity.
- **Environment as a “Key Economic Asset”** People create economic opportunities and people are drawn to beautiful natural settings; hence, a quality environment is a key economic asset. Protecting and enhancing Flathead Valley environmental qualities is essential for economic prosperity.

➤ *Additional Economic Information*

Fred Hodgeboom, President of the Montanans for Multiple Use, gave a brief presentation outlining his analysis of trends in the wood products industry in the Flathead Valley. He made the following key points:

- **Declining Timber Harvests** Since 1988, total timber harvest in the Flathead has dramatically declined. The biggest decline has been in timber harvest from public lands.
- **High Quality Wood Products Jobs Have Been Lost** Decline in the Flathead Valley’s timber industry has meant the lost of high paying jobs with benefits to some labor sectors and has adversely impacted the overall economic health of the Flathead.
- **National Forest Payments to Counties Have Declined** National Forest payments to counties have been tied to timber harvest receipts. The 25% *fund* payments to Flathead County had dramatically declined.
- **The Past Shapes the Future** The Flathead Valley’s economic future must be based on an understanding of its past.
- **Keep All Parts of the Economy** A diverse economy is a strong economy; we need to maintain or increase all economic sectors.
- **Revitalize the Timber Industry** Look for ways to achieve community consensus on how to increase timber production from public lands.

➤ *First Forum Results and Formation of Work Groups*

Participants in the September 22nd forum discussed emerging economic and demographic trends, listened to local business leaders share their perspectives about what is working well in the Flathead and what needs improvement, and broke into small groups to identify priority issues and action items that Flathead Valley residents can address to improve their economic prospects. The *Flathead on the Move* steering

committee studied results of the first forum to prioritize the focus and work of the November 4th forum. Five work groups were formed during the November 4th forum to consider the priority issues identified by the Steering Committee and to create community action plans for addressing each issue. Each work group proceeded with a similar five step format: 1) review the ground rule to create an environment for productive dialog; 2) review first forum ideas and information to establish the rational and basis for discussion; 3) brainstorm ideas; 4) deliberate and decide which ideas warrant further work; 5) wrap up and prepare to present results to the entire forum.

- **Creating Civic Dialog**– Many first forum participants noted that the Flathead Valley needs to create opportunities for constructive dialog and consensus building. It was clear from group comments that they want to heal the wounds, and build bridges resulting from unhealthy and unnecessary divisions within the community. The November 4th work group generated a number of ideas and developed a specific, three part work plan with volunteers to implement it.

- **IDEAS**

- ... use a computer software program that helps with planning
- ... establish common goals and core values as a basis for action (perhaps use surveys to do this)
- ... establish “ground rules” for public interactions; set a basic “standard”
- ... have a BIG party (could be a festival or series of festivals)
- ... quarterly public forums (all interested parties could share information)
- ... forums with healthy dialog vs. polarization; encourage active participation from those in the “middle”
- ... pressure the media and other parties to insist on accuracy
- ... train public officials in Roberts Rules of Order; develop ethics policies for public groups
- ... create a “Community Club” to foster learning and creation of vision
- ... have a neighbor’s night out
- ... promote active listening
- ... have a forum that reaches consensus
- ... return to civic dialog on public airways
- ... get media buy in, commitment and participation to the concept of civic discourse
- ... reduce stereotypes (could be done through small parties and meetings)
- ... educate community about our history
- ... acknowledge change and strategize about ways to deal with it
- ... recognize diversity across the valley
- ... have city, county, and citizen cooperation
- ... ask people to be open to new ideas and new ways to do things
- ... use mediation to create dialog
- ... include church leaders

- **ACTION PLAN**

- 1. Public Decorum**

- ...**WHAT:** · Identify local specialists in Roberts Rules of Order
· Educate community groups on Roberts Rules, ethics, and protocol
- ...**WHO:** Jan Metzmaker and Mary Riddle

- 2. Outreach to Media**

- ...**WHAT:** · Identify groups and people who specialize in responsible media sources
- ...**WHO:** Denise Germann, Susan How, and Neal Brown
- ...**WHAT:** · Invite media to partner with us in this effort
- ...**WHO:** Rhonda Fitzgerald, Jolene Smith, and Ruth Ackroyd

- 3. Community Club**

- ...**WHAT:** Research other community clubs and sources of funding
- ...**WHO:** Jen Metzmaker, Kim Crowley, & Pam Kennedy

○ LEADERSHIP

Jen Jones (jennifer1.jones@umontana.edu) volunteered to lead the group as they worked toward these goals. The group decided to meet again on Tuesday, December 14 from 1 PM to 2:30 PM at the Flathead County Library.

- **Responding to Rapid Growth** – A majority of first forum groups spoke of the need for Flathead County growth management, community planning, environmental protection, economic diversification, and revitalization of traditional industries. Groups emphasized the need for a community vision with respect to growth and greater cooperation between government entities responsible for development. This work group was very large and wanted to focus on a very broad range of issues. Rather than develop an action plan, this group framed issues of concern relative to two aspects of growth: economic development and community growth management and planning.

○ IDEAS

About economic development

- ... Pro-active yet flexible strategy for economic development.
- ... Economic development strategy to identify and support industries most likely to bring high-paying jobs.
- ... Aim at diverse economy aimed at all levels of society.
- ... Develop diversified business plan incorporating growth planning that looks forward vs. reacts.
- ... Develop community consensus to encourage growth in industry and manufacturing for high paying jobs.
- ... Recognize that if community is going to retain and/or increase high paying jobs, it needs to involve the forest.
- ... Public policy limits on big box stores and promote balance for small business to survive and prosper.
- ... Small facilities like wood furniture and clothing, private small industry focus and private business success.
- ... Make the most of public lands - responsible management and public access for recreation and timber harvest.
- ... Promote increasing active management for Flathead National Forest's suitable timber lands.
- ... Unlock the forests: private lands logged in excess – balance it out with federal to preserve.
- ... Manage suitable timber for multiple uses to provide healthy economic base and retain existing infrastructure.
- ... Use business plan model to move forward.
- ... Remodeling plan- the “company” is coming, how will we accommodate housing growth and maintain beauty.
- ... Developing economic development and strategy incorporates business plan.
- ... Use economic and environmental data to arrive at a county development standard.
- ... Encompass large amount of public lands in economic planning for seasonal and recreational.
- ... Develop health insurance for service industry employees.
- ... Develop community consensus to lobby together on issues.
- ... Quality of life maintained if lands are maintained (as with fires).
- ... Value-added industries, focused on natural resources.

About planning and growth management

- ... Develop resource analysis for trends and demographics as a first step for a growth policy.
- ... Develop list of areas with aesthetic and recreational sensitivity.
- ... Develop a policy over recreation and growth using aerial photos.
- ... From resource analysis, develop corridors representing values such as scenic tradition, agriculture, etc.
- ... Cooperate with Flathead National Forest to develop a plan to provide forest access for increasing population.
- ... Greater civic participation in growth; engage through diverse communications.
- ... Develop comprehensive plan- an umbrella for open space tax (for example, \$.05 on \$1).
- ... Redirect planning mentality from prescriptive to anticipatory; control building permits..
- ... Encourage cluster development adjacent to municipalities and build to municipal standards.
- ... Stop county zoning changes until master plan is revised and approved through robust public involvement.
- ... Develop collaborative non-regulatory mechanisms to maintain farms and forests in the valley and foothills.
- ... Growth that contributes to economy while keeping quality of life.
- ... Cities and county working together in multi-jurisdictional planning group to address development standards, growth issues, and ways of doing business.
- ... Comprehensive inclusive growth planning process, with unified common database and resource analysis.
- ... Community citizens working with current planning board in developing growth policy
- ... Create incentives to provide a large percentage of open space in most developments.

- ... Develop continuing sustained dialogue between interest groups in the Flathead
- ... Look at best practices in other cities.
- ... Attention to human and social needs in development- supporting families, aging issues, childcare, etc.
- ... Visionary growth policy plan based on data, including inventory of current land use.
- ... Use existing data; use consultants to gather and utilize data

○ **CONSENSUS POINTS**

1. Focus on Data

- Evaluate and update data existing
- May need more data: county is investing in getting data
- Data needs to be organized and simplified
- Make it comprehensibly available in compatible formats
- A lot of expertise in community to help enrich data

2. Continue the Dialog

- Go to planning board sessions.
- Invite Planners to forums.
- Ask county to appoint broad-based citizens group to help county planning process.
- Address concerns about involvement in this initiative.
- Create process that makes this more than another special interest group.
- Integrate idea to redistrict valley.
- Dialog between cities and county.

3. Support Entrepreneurs

- Develop entrepreneurial spirit.
- Encourage small business including home-based and cottage industries.
- Establish focus groups to address brainstormed items.

4. Focus Group Topics

- Define long-term vision.
- Support county growth policy
- Support economic strategy and business growth.
- Support non-governmental collaboration on private lands.
- Support federal land, including timber supply.
- Support community culture.

○ **LEADERSHIP**

Steve Thompson, James Patrick, Brian Mau, and Mayre Flowers volunteered to work together to forward these issues to the community

- **Developing a Qualified Workforce** – First forum participants recommended actions related to education in the broad sense – K-12, Flathead Valley Community College, workforce development and training, and community learning. Suggestions focused on 1) the need to cultivate a well educated workforce to attract and retain new businesses; 2) the importance of becoming an integrated *learning community* to ensure that businesses, civic leaders, and the public understand the complexities of community and economic development and take appropriate actions; and 3) the role of education in building community consensus. The November 4th work group developed a three part action plan after discussing a wide range of ideas.

○ **IDEAS**

- ... Increase joint curriculum between the FVCC and high schools – vocationally - centralize so schools work together.
- ... Revive the Vo -tech Center idea combining high school and College curriculum and job training.

- ... Greater cooperation between FVCC, high schools, business community and general community.
- ... Joint building projects between FHS and FVCC – combining community resources.
- ... Identify what jobs are needed by consulting businesses that are here or those with ‘an eye’ to move here – research high demand jobs.
- ... Get school districts involved in soft skills/employability training (interviewing, success on job, dress appropriately, showing up). Require a semester long course in the high schools.
- ... Incentives for businesses to send employees to training (tax dollars or training dollars?)
- ... Businesses with specialized trades working more closely with the high schools – sharing what they did to get where they are at, what does their business do, what can the industry/business do for the students – to participate more closely.
- ... Job Exposure: job shadowing, mentorship, internships, cooperative education to form relationships between students and businesses as well as provide educational experience before students make a career commitment.
- ... Structure to promote Entrepreneurship as an option – start up capital options, rewards/incentives as support, incorporate Business Camp back into high schools.
- ... Agriculture becoming a primary component of education – becoming pioneering, cutting edge
- ... Maintain community integrity – keep and improve schools in each community in lieu of centralizing them – move teachers instead of moving students.
- ... Utilize independent funding resources to free us from Federal “carrot stick” issue (regulations, strings, guidelines, control)
- ... Increase communication and means of communication about what is happening between all entities – high schools, between all entities, first locally then statewide, eliminate redundancy among Colleges in state.
- ... Need to be communicating with and educating parents, businesses, educators and general community.
- ... Address the healthcare industry – create a career pathway – as the fastest growing occupational field.
- ... Education on career options, initiatives taking place, opportunities – stressing to students all choices that they can be considering, not just College.
- ... Be present at Chamber meetings, functions taking place throughout the Valley.
- ... Affordable housing – to ensure housing and wages are compatible.
- ... Meet regional needs with regional resources

○ ACTION PLAN

1. Curriculum Cooperation

- ...**WHAT:**
 - Increase curriculum blend with high schools, FVCC and the Business Community - vocationally - centralizing so schools are working together.
 - Review what is in place: identify needs and opportunities of businesses
 - Share notes from this forum with Flathead Business and Education Council
 - Detail incentives and benefits to all parties
- ...**WHO:** Ann Marie Bailey, Kerrie Byrne, John Engebretson, and Virginia Sloan

2. Job Exposure

- ...**WHAT:**
 - Form relationships and provide educational experiences before students make a career commitment.
 - Review what is in place: identify needs and opportunities of businesses
 - Implement or Support Programs: job shadowing, mentoring, internships, cooperative education
 - Provide specific training for local job opportunities (for students to be qualified to work in positions as they are in school)
- ...**WHO:** Ann Marie Bailey, Virginia Sloan and Sandy Wheeler

3. Entrepreneurship

- ...**WHAT:**
 - **Structure to promote Entrepreneurship as an option – start up capital options, rewards/incentives as support, incorporate Business Camp back into high schools.**
 - Review what is in place: identify needs and opportunities of businesses
 - Offer a Business Camp in high schools
 - Include offerings on social and interpersonal skills
- ...**WHO:** Eric Hanson and Sheila Bowen

- **Strengthening the Infrastructure** – Several first forum groups recommended strengthening Flathead County’s infrastructure to meet increased demands, to ease traffic congestion, protect the environment, and to better position the area for more promising economic development. They focused on roads, public services, and business services, including the internet. The November 4th work group considered these issues and developed three part action plan.

- **IDEAS**

- ... Identify cluster location for value added manufacturing
- ... Planning for frontage road
- ... Increase money for infrastructure for rapid growth areas(legislative)
- ... Revisit FV road prioritization schedule
- ... Create a local food system
- ... Create an intelligent transportation system
- ... Provide personnel to provide a safe infrastructure (e.g. fire/police)
- ... Create a public information source to educate on infrastructure
- ... Bury utilities
- ... Design an overall management of natural resources as a function of infrastructure
- ... Monitor and plan for air services and rail (different modes of transportation)
- ... Develop a comprehensive street/road grid system (future plan)
- ... Develop a transportation plan that includes a tri city public transportation system
- ... Initiate a joint community effort for one water/sewer facility system
- ... Identify areas for cluster for housing that aligns with infrastructure
- ... Westside bypass-Eastside connector-true valley wide bypass with two routes
- ... Create an integrated information and transportation system for residents and visitors
- ... Develop a serious zoning plan that reflects and aligns with infrastructure
- ... Address internet redundancy access
- ... Have a serious overview of all infrastructure integration
- ... Create an opportunity for value added manufacturing

- **ACTION PLAN**

- 1. Transportation**

Create a transportation plan that includes public transportation-rail, air, bus, taxi

- ...**WHAT:**
- Develop comprehensive county wide transportation plan that evaluates need for commuter, tourist & local traffic.
 - Monitor and support alternate modes and resources (air and rail)
 - Develop rail or bus commuter opportunities-work with BNSF about tri city routes (galloping goose)
 - Develop intelligent transportation system for the Flathead
- ...**WHO:** MDOT, Department of Energy, county, city, local tourism, business, other pathfinders

- 2. Identify cluster locations for value added manufacturing**

No raw goods should leave the Flathead

- ...**WHAT:**
- Communicate with planning departments.
 - Identify where it’s already happening
 - Identity industries/sectors that would benefit from infrastructure for value added
 - I.D. stakeholders within industry sector
 - Foster connections/build networks
 - Establish opportunities that clustering would create
 - Inform zoning and planning offices and public what is possible-Align with growth policy
 - Communicate where clusters are #1
 - Ag, wood products, cultural heritage

- 3. Public Utilities**

- ...WHAT: · Create and initiate a joint community effort for a single water/sewer facility system.
- At state level initiate legislation that creates a county wide (one unit) system, rather than so many small districts with different goals
- Examine some areas to use as a model (e.g. Spokane, Seattle, Boise, Coeur d'Alene, and Bend)
- Build local buy in by using from MACO, city officials
- Coordinate with DNRC to DEQ & EPA to encourage countywide projects

- **Modifying the Tax Structure** – A number of first forum groups recommended seeking alternative forms of revenue to support local civic needs and amenities, with tax reform being specifically mentioned. The November 4th work group explored various aspects of Montana's tax structure and developed a two part action plan.

- **IDEAS**

- ... Establish a sales tax that excludes necessary items (food, pharmacy) and lower property and income tax. These would have to be tied to each other.
- ... Comprehensive reform to include reducing income tax and instituting a sales tax –
- ... Understand and value revenue and wealth creation for infrastructure development – roads. Show how important that is to our amenity environment.
- ... Adequate, fair, and opportunistic taxes to provide quality services i.e. roads, fires, police, funding for education, economic development.
- ... Lower property taxes!
- ... Expand local sales tax options to include larger communities.

- **ACTION PLAN**

1. **Tax Education**

Create a voice for a local sales tax option

- ...WHAT: · Use White Fish as the “poster child” of the local option resort sales tax.
- Coordinate tax reform activities with other communities across the state
- ...WHO: **Elna Darrow** research tax issues and suggest solutions.
- ...WHAT: · Review the 5 page summary on taxes prepared by the Governor's Office during the last legislative session..
- Prepare educational material to succinctly summarize the issue in a one page handout that can be used to educate the community and lobby legislators
- ...WHO: **Liz Harris** will distribute to group members 1) a copy of the 5 page summary on taxes prepared by the Governor's Office; and 2) a draft one page summary of the resort tax issue as it relates to the Flathead Valley.

2. **Change Local Options Sales Tax Legislation to Include Larger Communities**

- ...WHAT: · Meet with local legislatures to lobby to open up the local options resort tax to larger communities.
- Identify and contact other legislators that are open to tax reform
- ...WHO: **Andrea Goff** will identify local legislators and other target audiences for tax reform discussions.
- ...WHAT: · Review the tax reform agendas of the Montana Association of County Officials, the League of Cities and Towns, and the Montana Chamber of Commerce to lend support to any appropriate tax reform efforts.
- Identify and contact other legislators that are open to tax reform
- ...WHO: **Kim Morisaki** will obtain and distribute copies of the tax reform agendas of the Montana Association of County Officials, the League of Cities and Towns, and the Montana Chamber of Commerce.
- Elna Darrow** will chair a *Flathead on the Move* tax reform group and will contact tax reform groups in other Montana on the Move communities to see if there are opportunities to coordination of efforts