



Providing Economic, Community, and Workforce Development Services

[www.kalispellchamber.com](http://www.kalispellchamber.com)

February 15, 2012

Flathead County Planning Commission  
1035 First Avenue West  
Kalispell, MT 59901

**Re: Flathead County Growth Policy Public Hearing Feb 15, 2012**

Ladies and Gentlemen:

On behalf of our 650 members, I would like to offer comments on the latest draft documents for the Flathead County Growth Policy.

**General Comments:**

We appreciate the effort of the Commission and its staff to update this document given the dramatic shift in our economy and community in the since the last update. From 2007 to 2010, more than 5,270 private jobs were lost in Flathead County, with only 416 gained. Most employment losses were in manufacturing and construction, with wage losses totaling \$104 million. The Flathead economy is improving – but too slowly, weakly, and insufficiently to put our region back to work.

Nevertheless, there are signs that the recovery has started. Hilton Homewood Suites will begin construction of a 100 room hotel this spring. Kalispell Regional Medical Center is underway with a \$42 million expansion. Flathead Valley Community College will break ground on a \$5 million nursing and health sciences building this year. Allegiant Air has announced direct service to the San Francisco Bay Area. On the policy agenda, the State Legislature's work on workman's compensation reform and the reduction of the business equipment tax will help improve our competitiveness and the investment environment in Montana. Locally, the Kalispell City Council started this year with a repeal of transportation impact fees, making a strong statement that it will take the steps necessary to re-energize the construction economy and grow employment.

**Specific Comments:**

Part 2: Employment, Page 61. Consider revising the last sentence of this paragraph which reads, "Only the government and the health care and social assistance sectors have continued to experience modest gains in employment numbers during the economic recession". More current, post-Stimulus, data indicates that government employment has declined because of reduced tax revenues. In research presented by Dr. Brad Eldredge of Flathead Valley Community College on January 25, the data showed declines in public sector employment between 3Q2010 and 3Q2012. The largest employment gains during this same period were in the Hospitality and Accommodations

industry with a net gain of 486 jobs in Flathead County. These gains can be attributed to the steady increase of the tourism industry in Flathead County and to the growing tourism trade with Canada.

Part 2: Employment, Page 66. Regarding Figure 5.6, once again more current data will give a different look here.

Part 4: Facilities and Infrastructure, Page 75. The edits made since the last version have improved the document. However, because of the high cost of facilities and infrastructure and the long lead-time needed to plan properly for these improvements, this section deserves a much higher focus in this document and from the Commission. These facilities deserve special attention:

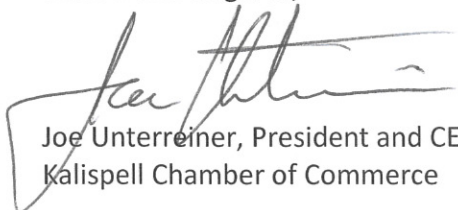
County Fairgrounds. I cannot find a mention of the County Fairgrounds anywhere in this document. This is the County's major public events facility. Maintenance on the Fairgrounds has been deferred for so long that if something is not done the facility may become totally obsolete. Tourism and hospitality are now listed as the County's largest basic industry category and the source of its largest job growth and offer new meetings and convention potential. These facilities deserve an investment and operating plan to make them a sustainable asset for our economy and community.

Glacier Park Airport. The recent Allegiant Air announcement is a nice success for commercial air service in the Flathead. Expansion of commercial air service to better serve business travelers and visitors will improve our community competitiveness and accessibility.

Rail Service. Rail service is an important part of our commercial and visitor infrastructure. Planning for rail-served business parks like the one planned for Kalispell will benefit our economy.

The Kalispell Chamber of Commerce appreciates the opportunity to be involved in the Flathead County Growth Policy and is ready to support your economic development planning in any way possible.

With Warm Regards,



Joe Unterreiner, President and CEO  
Kalispell Chamber of Commerce

Enclosure: Kalispell Business Agenda 2012



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## Chamber Unveils 2012 Agenda

*The Kalispell economy is improving - but too slowly, weakly, and insufficiently to put our region back to work. In 2012, the Kalispell Chamber's policy agenda will focus on action that will accelerate economic expansion, job creation, and competitiveness in the global economy. Our agenda will focus on six areas:*

**Expand Trade and Tourism.** With Kalispell hotel occupancies up seven percent in 2011, tourism is a bright spot in our regional economy and the largest job creator over the past year. The Chamber will launch the second year of a 5-year, \$3.0 million campaign to promote Kalispell as a premier visitor and meeting destination. Expansion of trade and visitation with Canada, which contains a market of 1.5 million people just north of the border, is also high on the Chamber's jobs agenda.

**Advance Pro-growth Legislation and Regulatory Reform.** In Montana's 62<sup>nd</sup> Legislative Session, the Legislature achieved workman's compensation reform resulting in a 20 percent average state-wide decrease in rates and also a reduction of the business equipment tax. However, that 20 percent decrease only moved Montana from the worst to the fifth worst rates in the nation, so there is still much work to do. Locally, the City Council started this year with a repeal of transportation impact fees, making a strong statement that it will take the steps necessary to re-energize the construction economy and grow employment. The Chamber will push to eliminate overreaching regulations that drive up the costs of job creators and make it harder to hire new employees and invest in our community.

**Drive Innovation Agenda.** Our area features innovation companies in energy, semiconductor equipment manufacturing, small arms manufacturing, unmanned aerial vehicles, and much more. Our innovation agenda requires advanced capabilities at our community college and a strong K-12 education system. The Chamber will support these high growth industries through advocacy and Business Expansion and Retention resources. The Chamber will also make a priority of its work with second-stage businesses – those with 10-99 employees and \$1 million+ in sales. This group of Montana businesses has an outsized impact on job creation because they have 39 percent of the jobs in the state while comprising just eight percent of the business establishments.

**Build Transportation and Infrastructure.** As we enter 2012, Allegiant Air has just announced non-stop service to the San Francisco Bay Area and work is well underway for the Hutton Ranch Connector roadway. The Chamber will press for the completion of the Kalispell Alternative Route and for the expansion of the commercial air service network. Favorable renewal of surface transportation funding legislation that expires in March and investment in broadband infrastructure are also top Chamber priorities.

**Develop our Resources Responsibly.** The recent announcement of a power purchase agreement between FH Stoltze Land and Lumber Company and Flathead Electric Cooperative for a 2.5 megawatt cogeneration facility is an encouraging sign for the development of a Northwest Montana renewable energy industry based on woody-biomass. The Chamber will continue its call for responsible development of our natural resources to create good paying jobs and tax revenue for schools and government services.

**Increase Member Value.** The Chamber will create new benefits that will add value and drive traffic to our members. The Chamber will add a mobile web application to the Kalispell Chamber and the Convention and Visitor Bureau web sites which will result new business for members.