



2017 Community Meeting Recap for the City of Colstrip

This document is a summary of the 2015 CEDS community meetings. These meetings were designed to discuss local findings for the development of an Economic Diversification Strategy for Colstrip, for the five-year CEDS document created by SEMDC, and to get community feedback as to what the current state of the community is, how things have changed from last year, and what projects are priorities to be completed for the following year(s).

This year was especially important to host a community meeting because of the many pressures the community of Colstrip has endured in the “War on Coal”. While there continues to be natural resource development projects in the area, there are many impacts on communities in southeastern Montana, and the goal is to maximize positive impacts and mitigate negative ones. The more communities understand the impacts, proactively plan, and communicate within the community and region, the better the outcome will be.

This document summarizes the thoughts, ideas, and projects discussed at the community meeting.

Colstrip CEDS Meeting 2017

SWOT Analysis

Introduction

A SWOT (Strengths, Weaknesses, Opportunities & Threats) analysis is a simple tool to help groups, agencies and communities verbalize the internal (Strengths and Weaknesses) and external (Opportunities and Threats) factors impacting the functionality and success of an agency, collaborative group of participating agencies or community. It is one of the most commonly used business analysis and decision making tools and assists in building strengths, minimizing weaknesses, seizing opportunities and counteracting threats.

It is important to acknowledge that although a SWOT analysis is an excellent and low cost tool for understanding overall functionality, outlining dynamic, and identifying potential gaps in information and/or process, it is also limited in scope and application. A SWOT analysis is raw data. The corresponding SWOT report will not prioritize issues, provide solutions, offer alternatives, or outline tasks necessary to address any identified strengths, weaknesses, opportunities or threats. As a stand-alone summary report, it should be utilized within that context.

SWOT Participants

On December 14, 2016, KLJ facilitated a SWOT analysis meeting in Colstrip that engaged various Colstrip residents, community leaders and Southeastern Montana Economic Development Corporation (SEMDC) staff. Participating parties included:

- Government
 - Colstrip City Council
 - Rosebud County Commission
- Economic Development Organizations
 - Southeastern Montana Economic Development Corporation
- Industry Leadership/Business
 - Colstrip Power Plant
 - Westmoreland Coal Company
 - Colstrip United

SWOT Analysis Summary Table

Strengths	Weaknesses
<ul style="list-style-type: none"> • Welcoming community (low crime rates, good educational system, good community facilities and low cost of living) • Existing useable infrastructure (rail, water, transmission and gas lines) • Existing highly skilled workforce • Significant outdoor recreation access • Access to a variety of natural resources (water, wind, coal, agriculture) • Access to daily healthcare needs • Numerous and diverse home based businesses • County airport access • Diverse and unique tax districts/good tax base • Engaged city & county governments 	<ul style="list-style-type: none"> • Broadband/Internet issues (speed) • Not a traditional “main street” town (no downtown/few business fronts) • Not an interstate community: remote • Lack of urban amenities and a travel culture that doesn’t support local business • One horse town (economically): No diversity of business/employers • Diminishing real estate values • Lack of state/federal support • No solid retirement infrastructure (hospital, assisted living, etc...) • Water rights • Limited opportunities for growth (land is available but above market rates) • Lack of community vision/direction: Uncertainty
Opportunities	Threats
<ul style="list-style-type: none"> • Clean coal and other related technologies • New political players/drivers • Isabel Bills Learning Center Building • Existing infrastructure (rail, power and gas lines, water) • Access to natural resources (water, wind, coal, agricultural lands) and related diversified energy opportunities • Increased manufacturing opportunities • Workforce training opportunities (existing highly technical/trained workforce and on-the-job training opportunities) • Potential ongoing or one-time investment by current plant owners 	<ul style="list-style-type: none"> • Loss of residents and related loss of tax base, customers to local businesses and general quality of life • Aging workforce • Divesting of responsibility on the part of the Plant owners • Real estate value declining • Loss of electricity capacity when Units 1 and 2 are closed • Over-reaching environmental legislation • Low investment in research into clean coal and related technologies • Low natural gas prices • Negative media attention: Public perception of coal • Lack of water rights • Uncertainty of what’s next

Strengths

The following are those components and factors related to Colstrip as a whole and specifically economic indicators and development believed to be assets, performing well, and/or meeting expectations.

- Welcoming community atmosphere with great “perks,” low crime rates, exceptional educational system, good community facilities and low cost of living
- Close-knit community with genuine and caring people
- Colstrip Parks and Recreation District: Numerous parks and multi-modal transportation paths (bike paths) connecting parks, the lakes and the community as a whole): Community accessibility
- Existing power transmission lines
- Existing skilled workforce with diversified educational levels and types
- Access to water and potentially to water rights
- Excellent overall infrastructure both for the community (water, wastewater, streets, roads, sidewalks, parks, etc...) and related to the Plant (rail, power lines, gas lines, water, etc...)
- Solid and engaged City and County government officials
- Great town lay-out (family-friendly)
- Access to daily healthcare needs (no hospital, but an “advanced” clinic with numerous local services)
- Easy access to outdoor recreation (hunting, fishing, hiking, the lake in town etc...)
- Outside interest/attention to Colstrip and ensuring economic sustainability
- A variety of diverse home based businesses
- Strong tax base and established “unique” taxing districts to maintain community infrastructure/services
- Access to a variety of natural resources (water, wind, coal, agricultural)
- County airport (for access)

Strengths are defined as internal in that they are those factors within the control of the group members.

Weaknesses

The following are components and factors related to Colstrip as a whole and specifically economic indicators, believed to be a disadvantage, problem or current gap in services, data, communication or aspect of community functionality adversely impacting economic growth/development.

- The existing power transmission lines don't go east (only west)
- Broadband/internet issues (speed issues)
- Not a traditional “main street” town: No active storefront business district (downtown)
- Remote location: Not an interstate community and some distance from urban area
- Diminishing home values
- Lack of resources to make significant changes

Weaknesses are defined as internal in that they are those factors within the control of the group members.

- Lack of community vision outside the Plant and Mine economic mentality: Untapped resources (great minds in the community not getting involved)
- Very few employers/employment opportunities outside the Plant and the mine (one horse town)
- Limited spaces for opening of new businesses/expansion of businesses
- Lack of “cultural” opportunities or urban amenities (retail, restaurant and services): Major purchases have to be done in the closest urban center (Billings)
- “New” community (only recently incorporated and not established)
- Unstable future
- Lack of support from national and sometimes state government
- No solid “retirement community” infrastructure (i.e. hospital, large/one-stop-shopping retail, assisted living)
- An established culture of travel (residents habitually travel to meet their needs and may or may not be supportive of local business even if it were there): No incentives for new business
- Water rights (the power plant currently owns the water rights and the community leases them)
- Limited area for community growth (difficult to purchase property in the surrounding area as prices are far above market value for the area)

Opportunities

The following are those components and factors related to Colstrip as a whole and specifically economic indicators and development believed to be potential opportunities to the economic development of the community. External opportunities include trends, technologies and funding that have the potential of benefitting the work being done.

Opportunities are defined as external in that they are those factors that are not necessarily in the control of the group providing the input.

- Investment by Plant owners in clean coal technology: Retrofitting Units 3 and 4
- New political drivers at play since the election in November
- Clean coal technology in general and its potential application in Colstrip
- Development of a public transportation system linking Colstrip to Billings and/or Miles City
- Empty school building (Isabel Bills Learning Center)
- Community belief in the ability to make a difference
- Access to coal (Westmoreland Mines)
- New technology could find a “start” in Colstrip
- Existing infrastructure (including Plant equipment, rail, water, gas lines and power transmission lines)
- Workforce training opportunities (existing mining, power plant and related skilled labor opportunities for on-the-job learning)
- Existing highly skilled workforce
- Colstrip as a retirement community/hub
- Diversified energy opportunities (Carbon capture, Geothermal, wind)
- Chances to add more technology into the existing power plant structure

- Colstrip as a leader in responsible and efficient energy production that would offer the opportunity for continued good paying jobs
- Increased manufacturing opportunities
- Opportunities to employ more people in diverse industry
- Retail “core” opportunities (to encourage people to visit and stay): Creation of a town square
- Colstrip’s community has a great “lay out” with opportunity for diversity and growth
- Harness current positive media attention
- Available land in close (and far) proximity to the existing community
- Build on access to recreation/tourism (i.e. creation of a recreational vehicle dealership)
- “Place making” - Take advantage of Colstrip as a “Prairie Oasis”
- Colstrip is a newly incorporated community giving it more flexibility and innovation than older, more established communities

Threats

The following are those components and factors related to Colstrip as a whole and specifically economic indicators and development believed to be a potential problem or barrier to the ongoing

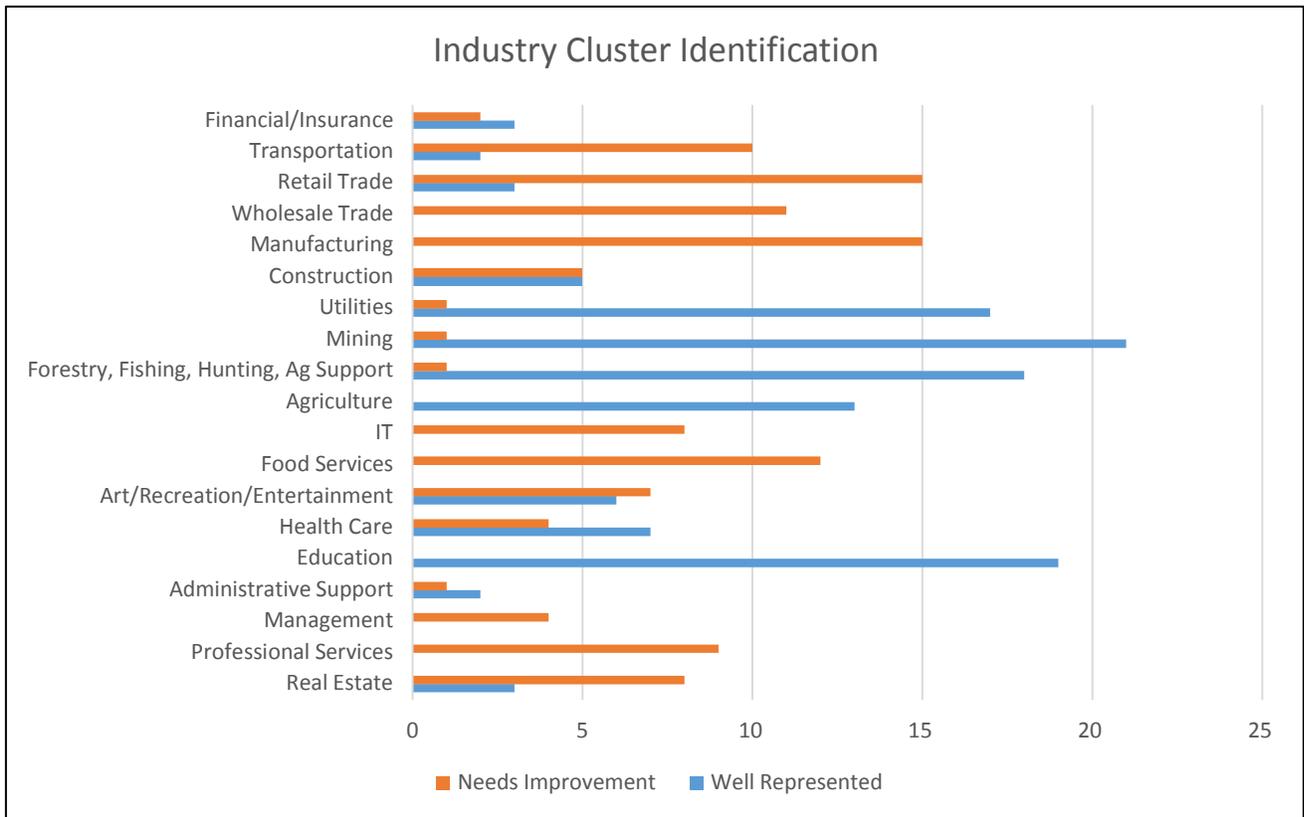
Threats are defined as external in that they are those factors that are not necessarily in the control of the group providing the input.

economic prosperity and/or growth of the community. External threats include trends, policies, or changes in funding that have the potential of becoming a barrier or hindering the ongoing functionality of the group/community and the work being done.

- Loss of residents/people in the community after the closure of Power Plant units 1 and 2: Related loss of tax base, customers to local businesses and general quality of life
- Aging workforce: High percentage of current Colstrip workforce nearing retirement
- Divesting of responsibility on the part of the Plant owners
- Inability to sell real estate when/if the Plant and/or mines close (Real estate value declines)
- Loss of electricity capacity when Units 1 and 2 are closed (What happens to the power grid?)
- Over-reaching environmental legislation: Government overreach in general
- Low investment in research into clean coal and related technologies
- Fracking (creating low natural gas prices)
- Negative media attention (as compared to very little positive media attention): Public perception of coal
- Water rights (Power plant currently owns water rights)
- Uncertainty of what’s next when Units 1 and 2 close and related uncertainty as to the exact plan for timing of the closure and “next steps.”

Economic Cluster Identification

Following the group SWOT analysis, participants were provided a list of economic industry clusters, as outlined by the Economic Development Administration in conjunction with guidelines for development of Community Economic Development Strategies (CEDs). Participants were provided “voting dots” and asked to use these to identify those economic industries they felt were well represented in Colstrip and also those industries they felt needed improvement. The following graph represents the results of that analysis:



Strategic Visioning & Project Ideas for Consideration

On December 15, 2016, a second meeting was held. This second meeting was by invitation only and included some of the same participants from the previous evening's meeting as well as new participants representing key city, county, state and federal government, business and leadership roles. The purpose of the second meeting was to review previously identified SWOT information as well as economic industry clusters and to utilize this information to begin formulating potential strategic initiatives and related projects.

Participants were divided into small groups, told to select five (5) of the identified industry clusters and begin formulating potential project ideas. Participants were allowed to select whatever industries they desired to discuss and explore without concern for whether or not that industry had previously been identified as "well represented" or "needs improvement." They were given a set amount of time for each cluster they selected and specifically instructed to only concern themselves with possibilities and not logistics. In the purest application, participants were asked to utilize their "5 year old" thinking and alleviate phrases such as "we can't," or "this would work except..." The second night's meeting yielded the outcomes outlined in the following section.

Identified Economic Clusters and Related Projects

The chart below documents the strategic ideas or suggested projects, categorized by economic cluster. To the left of each idea/project, are the votes garnered for each concept. The voting was done as an initial ranking tool to capture the general direction of the meeting participants.

IDENTIFIED ECONOMIC CLUSTER	VOTES GARNERED
<u>Professional Services</u>	
Office Space	None
Lawyers	None
Engineering & Environmental (professionals already in the community)	(2)
Look at (and fill) regional needs	None
<u>Education</u>	
Research Development (partnership with Miles Community College)	(2)
Isabel Bills Learning Center Building - Utilize as an emergency medical tech training center	(7)
Military/Explosives training center	(1)
Create a local college based in trades/union crafts/IT	(11)
<u>Health Care</u>	
Expand Occupational Health Services	(1)
Create/expand retirement community opportunities	
• Including establishing/expanding assisted living & senior housing	(13)
Highlight parks & recreation and outdoor lifestyle the community offers	(2)
Maintain/Stabilize the clinic tax district	None
<u>Art/Recreation/Entertainment</u>	
Build/Establish a campground	(6)
Trophy Farms (Elk/Deer)	(5)

IT

Broadband development (consistent access & speed)	(9)
Fiber Optic Line Development (line already exists, just need development)	(8)
Internet Based Business development and corresponding maintenance (computer techs)	(3)
Server farm	(5)

Agriculture

Agricultural Support Services (Tractors and related equipment)	(7)
No till cover crops (alfalfa/Cattle Grazing)	(1)
Christmas Tree farm	(1)
Tera-forming and permaculture	(1)
Raspberry farms	(1)
Marijuana production/grow	(1)
Develop/grow pulse crops	(6)

Mining

Reclamation	
Positive marketing of products already sustaining the community (coal/power)	(7)
Recycling tires from the mine/plant as road construction materials	(4)
Enhancement of earth moving technology	None
Upgrading current facilities (Activated Carbon/Coal Repurposing and/or Syncow Site)	(1)
Environmental Enhancement services	(1)
Coal Research & Development Utilization	(6)
Conversion of coal into petroleum products	(7)

Utilities

Water (ensuring rights, access and affordability)	(4)
Continued infrastructure investment	None
Take advantage of capacity opportunities (transmission lines)	(3)
Conversion of Coal to natural gas (LP Amina)	(16)
Wind farms	(2)
Geothermal	(3)

Construction

Enhanced Highway Construction capacity/work crews/construction company center	(19)
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Manufacturing

Microbrewery utilizing CO2	None
Develop and utilize CO2 Carbon Capture technology	(19)
Land Reclamation experiment (requiring regulatory buy-in)	(2)
Use of the Isabel Bills Learning Center as a manufacturing site	(1)
Take advantage of rail transport opportunities	(2)
Hydrogen Fuel development/manufacturing	(7)
Aircraft manufacturing center	None
Steel manufacturing (value added)	(1)
Manufacturing/distribution of military laser weaponry	(1)
Use of fly ash for manufacturing of bricks/building materials	None
Sugar beet factory/processing	(6)

Retail Trade

Main Street Development (Isabel Bills as a service center)/Commercial kitchen None

Financial/Insurance

Financial Planners None

There were no suggestions offered in Real Estate, Management, Administrative Support, Food Services, Forestry, Fishing, Hunting, Ag Support, Wholesale Trade or Transportation

Identified Priority Projects



- Professional Services
- Education
- Health Care
- Recreation
- IT
- Agriculture
- Mining
- Utilities
- Construction
- Manufacturing