

July 2012

3M/3M Ross Reels Company Staying in Montrose!

3M/3MRoss Reels: MEDC was contacted by 3M in April regarding their decision to remain in Montrose once their lease expired in October 2012 or to consolidate the company to their Michigan plant. MEDC acted as a liaison to the City of Montrose and Montrose County. MEDC prepared an economic impact analysis as part of the due diligence to demonstrate the impact the company has on the community of Montrose.

Corporate Supply Chain Operations



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3M

Corporate Supply Chain Operations

3M Montrose Manufacturing



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3M

MEDC presented on behalf of 3M at two City Council meetings and two County Commissioner meetings. Both the City of Montrose and Montrose County approved incentives based on details that will be outline by each entity. MEDC remains in communication with 3M as the details are worked out and as the anticipated move take place.

News and Updates

Extra Aircraft: U.S. Senator Mark Udall's office has been engaged in an effort to assist with the effort to bring Extra Aircraft to Montrose. Extra Aircraft has been issued their type certificate license from Australia and they have secured their Australian dealers. Their focus on sales has been primarily in Europe. The FAA has completed their trip to Germany to perform their due diligence on the EA500. MEDC has remained diligent in their effort to recruit Extra Aircraft to Montrose.

Intermountain Resources (IMR): Efforts to assist IMR in the form of working with the U.S. Forest Service, the Receiver as well as conversations with individuals considering investing in the company continue. Nancy Fishing, Project Manager for MEDC, has remained engaged and continues to keep MEDC apprised of the status. Nancy Fishing testified May 14, 2012 at the National Forest Colorado hearing held in the City Council Chamber. Intermountain Resources has shut-down off and on over the past months due to a lack of log supply. There is an auction scheduled in Denver on July 12, 2012 to sell the equipment and inventory for both the Saratoga and Montrose mills. Each mill's assets will be sold as an individual lot which means they will be sold as a working entity. This process is necessary in order to assist in marketing the mill as a stand-alone business.

News and Updates continued...

TMRAO: Montrose Funding Steering Committee meetings are being held to explore options for permanent funding. As part of the research/fact finding, Lloyd Arnold, Montrose County Airport Manager, provided the group with a presentation detailing the operations of MTJ which included the existing fee structure for airport related businesses. Within the presentation, Mr. Arnold stated that without the TMRAO program, MTJ could experience up to a 65% reduction in flights and enplanements to the airport. Load factors are already filling in for summer due to the reduction in the number of seats. Neither Telluride nor Montrose will be seeking a ballot initiative in the November 2012 election. The CDOT Division of Aeronautics Economic Impact Study from 2008 shows a \$329MM economic impact to our region from activity at the Montrose Regional Airport. A loss of the guaranteed flights will have a negative impact on all businesses and governments in Montrose. It is critical that we all work together to find ways to fund this valuable program. Over 90% of the current program funding comes from the Telluride community. A survey conducted with a random number of our primary employers in January showed 88% of them consider our air service and the connectivity it provides as being important to their business.

Business Retention & Expansion Company Visits (BR&E): MEDC staff and Board Members conduct BR&E visits with our local companies and individual businesses throughout each month. Interviews include questions regarding job status, business growth projections, and business needs or concerns that could threaten their sustainability including governmental red tape issues. We also inquire about their workforce needs in regard to skill sets and educational or job training requirements. Challenges discussed in several of these interviews include workforce needs such as certified welders C&C operators, unemployment insurance costs and access to capital. A few companies are experiencing growth, while the majority of companies are maintaining their existing job numbers with no substantial growth expected.

Welcome Home Montrose (WHM): Sandy Head serves on the board of WHM. In April WHM held focus groups to inform the community of what our dreams and goals are and to learn from the community what resources are available. High Country signs donated the usage of a billboard until October. The billboard can be seen as you travel North on HWY 50 near Menoken Hill. WHM Montrose has new office space at the corner of Park and Main. They are in the process of creating a resource center where they will offer connections for services, recreation and assistance for vets and their families. We encourage you to stay updated about WHM activities at their website:

<http://welcomهومontrose.org/news/>

Agriculture:

On March 30, 2012 Delta County Economic Development Inc. (DCED) and Montrose Economic Development Corporation (MEDC) entered into a Memorandum of Understanding (MOU) in support of the Uncompahgre Valley Soil Health project. The Uncompahgre Valley Soil Health



Project is a farmer lead effort focused on agriculture sustainability in Delta and Montrose Counties. It evolved because local farmers were concerned that threats of high production costs, and diminishing soil quality, together with regulatory efforts linked to agriculture water availability and quality could have long lasting negative impacts on their farming future. The MOU recognizes both economic development agencies' commitment toward the preservation of existing jobs, and in the recognition of agriculture as a primary industry in our region. The direct income from agriculture production in Delta County is \$61,163,700 for products sold in one year with Montrose upwards of \$88,400,800. These amounts do not include the multiplier effect these dollars have within our communities.

DCED has been awarded and will act as the administrator for a \$1.35 million dollar Cooperative Conservation Partnership Initiative (CCPI) grant through NRCS. The CCPI grant will allow for individual farmers in Delta and Montrose Counties to receive incentive payments to initiate soil health practices. The grant also allows for research

Agriculture continued...

practices, experimentation and data collection. The three-year program focuses on composting, cover crops and crop rotation.

As of June 2012, nine farmers have signed up to receive CCPI funding. This represents 358 acres in Delta and Montrose Counties. Although these farmers will be receiving grant dollars they themselves will be making a significant personal financial investment due to the cost share requirement of the grant.

This project will not just benefit or impact one organization or individual but rather our communities as a whole. You can learn more about soil health on our website. (www.MontroseEDC.org) under *News/Projects Button - In The News*



Broadband:

MEDC is part of the Local Technology Planning Team (LTPT) that has been formed to work with Eagle Net and the Colorado Office of Information Technology in an effort to insure high quality, redundant and affordable bandwidth to our community. In order for existing businesses to compete in our global economy they will need adequate broadband. Additionally, as we work to bring new business to our region, the amount of available bandwidth will be part of their decision making process. In an effort to

determine what our bandwidth requirements are, the LTPT will begin surveying anchor institutions and last mile providers to determine what the cumulative amount of bandwidth requirements may look like.

Message from MEDC's Chair:



Bruce Panter
Chair, MEDC

A hearty congratulation on Montrose's collaborative effort to keep quality jobs in Montrose. Ross Reels asked MEDC if there was anything it could do to help sway its case with 3M to keep its headquarters in Montrose. Thankfully Sandy Head's relationship with the Ross Reels management was strong enough that they knew who to call and that she would be grateful that they asked. That's exactly what retention activities are all about. Those primary jobs (those that import capital through the sale of goods and services outside of the community) are so precious to Montrose's economic health and standard of living. Ross Reels itself pumps \$1,175,000 of payroll into our community, and that excludes the multiplier effect of how those employees spend their earnings locally. One of the predominate missions of MEDC is to maintain positive relationships with primary job employers. The mission is only heightened today when acquisition opportunities (relocate a business here) are limited given national economic stress.

We all should especially thank the City of Montrose and the County of Montrose for their leadership and clarity around the purpose and, of course, the financial incentives provided. Not all City Councils, County Commissioners and municipal managers understand the importance of showing our primary employers how much they are appreciated and are able to ask "how can we help". Ours do and did!!! Please, don't hesitate to show your gratitude by dropping them a letter, email or phone call. Special thanks to Bill Bell, City Manager, for his work directly with Ross Reels and his creativity. He really rolled up his sleeves and dug in until a solution was found.

And give the biggest thanks of all to 3M/Ross Reels. This **IS** a company coveted by other communities. It has a great image, it is clean manufacturing, employs a skilled labor force and its average wages are great. Ross Reels doesn't have to stay in Montrose but we are thankful for every day they do. If you want to show them your thanks – go buy a Ross Reel. If you fly fish they are fabulous. If you don't they make a great gift!!! Christmas is just around the corner.

GREAT TEAMWORK MONTROSE!!!

2012
MEDC Board of Directors

Executive Committee:

Bruce Panter, Chair, Wells Fargo Bank
Dale Davidson, Vice Chair , Alpine Bank
Dave Hample, Secretary, Montrose Memorial Hospital
Buck Miller, Treasurer , Dalby, Wendland & Company

Elected:

Jay Austin, Cumulis Media, Inc.
Scott Beyer, Scott's Printing & Graphic Design
Greg Bollig, Farmers Insurance
Paul Bony, Bony Family Farms
Mike Gordon, Gordon Composites
Dr. Michael Jay, Montrose Memorial Hospital
Jack Ludwig, Stone House Restaurant
Scott Stryker, Ridgeway Valley Enterprises

Appointed:

Bill Bell, City of Montrose
Marc Catlin, Agriculture Representative
Judy Ann Files, City of Montrose
Mark MacHale, RE-1J School District
Joey Boese Montoya, Colorado Mesa University
Jesse Smith, Montrose County
Rob Smith, Town of Olathe
Kevin Stay, Manufacturing Representative
Marty Warner, West Montrose ECD



Website Update:
(www.MontroseEdc.org)

The MEDC has updated it's website with new rotating photos, news/information and demographics. Demographic updates include:

- Montrose County Employment by Industry - 2011 Annual
- Montrose County Major Employers
- Population by Area, Population Projections, Historical Population
- Montrose County Household Income and Size of Household
- Montrose County Age Distribution, Education Attainment and Ethnicity
- Annual Labor Force, 2011 Monthly Labor Force and 2012 Labor Force to-date
- Personal Income & Per Capita Personal Income
- Montrose County Demographic Profile
- Commercial/Single Family Sales

Major Employers	# Emp.	Major Employers	# Emp.
Montrose County School District	751	JC Penney	90
Montrose Memorial Hospital	581	Target	85
Montrose County	384	Center for Mental Health	75
Russell Stover Candies	360	3M (Reels/Abrasives combined)	60
Volunteers of America	350	Tri State Generation – Nucla	59
Wal-Mart Supercenter	284	Safeway	53
City Market	225	Hansen Weather Port	50
Community Options	175	West End School District	48
City of Montrose	160	Wells Fargo Bank	47
Home Depot	160	Western Skyways	45
Gordon Composites	123	Best Sign Systems	42
Delta Montrose Electric Association	104	Rocky Mountain Steel	35

Information provided by MEDC (updated: 6-4-12)

Contact Information:

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www.MontroseEDC.org

Congratulations!

KENT SCHMIDT of

PAPA WHEELIE'S

Montrose's new Bicycle Shop

Kent first came to MEDC for startup assistance in October of 2010.

MEDC's Investor Directory is available on our Website!

Support those that support Economic Development!

Visit:

www.MontroseEDC.org

MEDC Investors

Remember to Support those that support Economic Development!

3M	Edward Jones--Mike King	Office Machine Sales & Technical Service
Advance Canvas Design	Edward Jones--Ron Smith	Oxbow Crossing Properties, Inc.
Alexander, Charles DDS, MSD	ELK Media	Parish Oil Co.
Alpine Bank	Farmers Insurance – Greg Bollig	Pepsi Bottling Group
Alpine Lumber	Flairmont Furniture & Carpet	Performance Muffler & Auto Repair
Alpine Optical of Western Colorado	Glasmann Family Partnership, LLLP	Pour House Wines & Spirits
Alternative Power Enterprises, Inc	Gordon Composites, Inc.	ProSpace Interiors, Inc.
Bank of Colorado	Grand Valley Atrium, Inc	Prudential Real Estate - Carol Crawford
Bank of the West	Groskopf & Groskopf, LLP	Prudential Real Estate - David Kienholz
Best Sign Systems, Inc.	Hampton Inn	Re/Max - Alpine View-Crowe/Covington
Black Canyon Equipment Rental	Hansen Weatherport	Recla Metals
Bony Family Farm	Hendrix and Associates	Reed, J. David PC
Bradley Devitt & Haas, PC	High Country Properties, Inc	Renfrow Realty-John Renfrow
Bridges Golf & Country Club	High Mesa Communications	Rider & Quesenberry, LLP
Brown Property Development Co LLC	Holiday Inn Express	Ridgway Valley Enterprises
Buckhorn Geotech	Hospice & Palliative Care WCO	Curt Robinson
Budgetline Furniture & Appliance	The Insurance Center	Schultz Realty Group, LLC-Paul Schultz
Business Options	Intermountain Pathology	Scott's Printing & Graphic Design
Camelot Gardens	Invest U.S. Regional Center, LLC	SOS Staffing Services
Camp Robber	Michael Jay, MD	Source Gas
Campbell, Teresa CPA	Keehfuss, Jeff - Re/Max	South River Real Estate-Mike Lowry
Carpetrends, Inc.	Keller Williams CO West Rlty, LLC- Ninah Hunter	Stone House Restaurant
Cedar Creek Development Co.	Kal J. Kroack DDS	Swiss-O-Matic
Cherry Creek Radio	Lambert & Associates	Timberline Bank
City of Montrose	Laursen Repair & Beyond	Town of Olathe
Coldwell Banker Bailey & Co	Law Office of Mindi L. Conerly, LLC	Kenneth & Marlene Townsend
Colorado Lending Source	Lionel's Auto Repair	Tri-River Appliance
Community Staffing Services, Inc.	Martin & Kidnay, LLL	Turner Automotive, Inc.
Comparable Sales Research	Mathis & Associates	Tuxedo Corn
Computer Business Solutions	Merrill Lynch - James R. Young III	Uncompahgre Valley Water Users Assn.
Consolidated Electrical Distributors	Merrill Lynch - Sean C. Byers	United Companies (Delta Sand & Gravel)
Ron Courtney CPA	Milestone Building	US Bank
Crippin Funeral Home	Montrose Association of Commerce & Tourism	Vectra Bank
Dalby, Wendland & Company	Montrose County	Watson Insurance and Financial Group
Davis Service Center	The Montrose Daily Press	Webb Dairy
Glen Davis	Montrose Memorial Hospital	Wells Fargo Bank
Days Inn	Montrose Recreation District	Western Colorado Contractors Assoc.
Decker and Cook, CPA	MontroseBank	Western Skyways
Del-Mont Consultants, Inc.	Montrose-Realestate.com - Scott Scarborough	Wollert Automotive
Delta-Montrose Electric Assn.	Mountain Quality Marketing, LLC	Watson Insurance and Financial Group
Dennis Devor	Nucla Naturita Area Chamber of Commerce	Webb Dairy

Thank You MEDC Investors!!