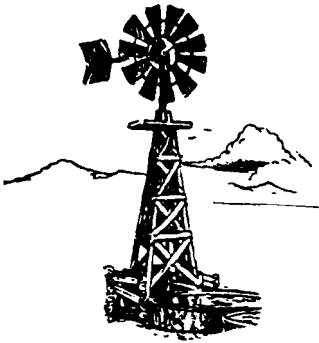


SouthEastern Montana Development Corporation

"*GROWING MONTANA ~ ONE JOB AT A TIME*"

FALL 2004



Economic Development Update

HYSHAM ASSISTED LIVING OPPORTUNITY

In the fall of 2002, a town meeting and community survey were conducted that clearly indicated the need for an assisted living facility for the elderly within Treasure County. A group of energetic citizens formed Treasure County Economic Development, Inc. (TCED), a 501(c) 3 nonprofit organization. One of the specific purposes of the group is to evaluate and possibly develop an assisted living facility. "We saw a need in Treasure County for a facility for the elderly," stated Pat Miller, TCED President, "and we went for it."



Jim Atchison, with TCED members at the future site of the Treasure County Retirement Facility.

The proposed project consists of an assisted living facility with eight apartment units. The proposed facility will have common living areas, a centrally located dining area and kitchen facilities. The units will be handicap accessible and can be either single or double occupancy. Since there were no available facilities in Hysham at the present that could be remodeled and made suitable for such a facility, new construction would be required to accommodate the project. TCED recently received a \$65,000 Coal Board grant to purchase the land. The site selected consists of twelve individual lots in Hysham, with easy access to the main road into town. Jim Atchison of Southeastern Montana Development Corporation (SEMDC) stated that "it's a great location for such a positive addition to Treasure County. It should keep citizens in town and provide more jobs." SEMDC applied for and received an \$18,000 grant from USDA's Rural Business Enterprise Grant (RBEG) program that finances and/or facilitates development of private business enterprise. This funding was specifically utilized to hire an outside contractor to conduct a feasibility study to determine whether the project had merit considering the potential costs. The just completed study did indicate potential for the project based on preliminary construction and operational estimates. TCED is currently accepting tax deductible donations and investigating other financing options that may be available to them as a nonprofit organization. Atchison noted that "TCED is very committed to find a way to get this done."

MEMBERS

ROSEBUD COUNTY

POWDER RIVER
COUNTY

TREASURE COUNTY



CITY OF FORSYTH

CITY OF COLSTRIP

TOWN OF HYSHAM

TOWN OF BROADUS

New Economic Development / Loan Officer Position in Miles City

Southeastern Montana Development Corp. (SEMDC) is now accepting applications for a new Economic Development / Loan Officer Position based in Miles City, MT. This new full time position will act as Executive Director for the Miles City area Economic Development Council (MCAEDC) and as a Loan Officer for Southeastern Montana Development Corp. (SEMDC). A college degree and a minimum five (5) years experience in commercial lending, marketing, economic development or related areas is preferred. Grant writing experience is also desirable. A complete job description is available upon request for specific skills and duties. Salary (DOE) and an excellent benefits package available for 40-hour workweek.

THANK YOU - PARTNERS

SEMDC would like to thank the following Partners for 2004:

First Interstate BancSystem Foundation
 First State Bank Forsyth
 First Interstate Bank of Colstrip; Miles City; Lame Deer
 Montana Decoy - Colstrip
 NorthWestern Energy - Billings
 Rosebud Physical Therapy - Forsyth/Colstrip
 H&T Printing - Miles City
 Ripple Marketing, LLC—Bozeman



Scott Klein of First State Bank receives the 2004 Partnership Program Plaque from SEMDC's Jim Atchison, Executive Director.

With SEMDC's "Partnership Program" a private individual or a small business can be a part of the local and regional economic development effort in Southeastern Montana.

Since SEMDC has a 501(c)3 IRS status, the financial investment with SEMDC is not only tax deductible, but would help keep and grow jobs in our region (see Scoreboard on this page). SEMDC is providing a needed and valuable service to the business community. In turn, these successful small businesses and individuals are assisting SEMDC. It's a win-win deal. SEMDC helps small businesses with free and confidential counseling through its Small Business Development Center (SBDC) and other programs and services. Successful businesses and individuals can assist SEMDC with financial support through the "Partnership Program."

Comprehensive Economic Development Strategy (CEDS) Update

SEMDC's CEDS project intends to identify the region's strengths and weaknesses and then outline specific steps to improve the economic vitality of the region through the retention of existing businesses, increase in incomes and reduction of unemployment and underemployment. The SEMDC CEDS region consists of Custer, Rosebud, Treasure and Powder River Counties. Town meetings have been conducted in all four counties identifying economic strengths, weaknesses, opportunities, and threats. The final report will be completed by the end of this year and will be made available to the public.

"Did you know that in 2003, USDA-Rural Business and Coop Services made Loans/ Grants to Montanans totaling \$106.7 Million."

SBDC UPDATE

Scoreboard

Updated September, 2004

	<u>Since 1997</u>	<u>Last 12 Months</u>
Jobs Created	142	42
Jobs Retained	288	14
Total Jobs	430	56
Loans Received	\$8,060,526	\$1,368,570
Total Funding	\$9,570,006	\$1,642,170

SCORE BOARD DATA is only recorded when a SBDC client is able to receive small business funding after two or more one-on-one counseling sessions have been completed.

The (SBDC) is partially funded by the U.S. Small Business Administration . SBA's funding is not an endorsement of any products, opinions, or services. SBA funded programs are extended to the public on a non discriminatory basis.

SMALL BUSINESS DEVELOPMENT CENTER SATELLITE OFFICES

Call for appointment

406-748-2990

BAKER - EKALAKA

**BROADUS - ASHLAND
LAME DEER**

FORSYTH - HYSHAM

**GLENDIVE - WIBAUX
TERRY**

MILES CITY

COLSTRIP

**Please check our website
for schedule**

www.semhc.org





Jim Atchison (right) of Southeastern Montana Development presents the Energy Open "COAL CUP" to Les Mahon and Cathy Frank of First Interstate Bank-Colstrip. First Interstate Bank - Colstrip was the winning team sponsor of the golf tournament held during the 1st annual Energy Open in June. The "COAL CUP" was created and carved out of coal by local artist Ken Acton of Colstrip. Team members not pictured are Monica Lindeen of Huntley and Mike Peterson of Colstrip.



The Dairy Queen of Forsyth

The Dairy Queen of Forsyth, Montana located at 1290 East Front Street, has been a franchise operation for the past 21 years. Carla Leonhardt, the buyer, has been self-employed for 22 years in business with her husband Glen on their farm east of Forsyth and had highly developed organizational and business management skills. After Carla and Glen decided to buy the store Carla began working in the Dairy Queen and directly with the previous owner, Jim Hayden, for several months in preparation for the purchase. By experiencing all elements of the business, being a long time resident of the area, and questioning and studying many surrounding businesses, Carla was prepared to re-open **The Dairy Queen of Forsyth** after renovations were completed in January of 2004. Carla also attended a training school in Minneapolis for Dairy Queen franchise owners – Dairy Queen University (DQU). Students at DQU work for a week in an actual store, setting up, cleaning and learning the ropes. They spend another week in the classroom, learning skills for managing employees, finances and records.

After graduating from DQU Carla had to find the right mix of employees to make the Dairy Queen one of the premiere fast food restaurants in the area. Her original plans called for hiring seven to nine employees. As sales increased Carla had to add more employees that now total fifteen. A couple of more employees will be added as the busy summer season approaches.

The Dairy Queen of Forsyth offers a menu of soft serve ice cream, grill and fryer foods, and fountain beverages, for takeout or for consumption in the Dairy Queen dining room. The special recipe for Dairy Queen soft serve ice cream offers a delicious treat accompanied by hot grilled food served in an accommodating atmosphere that makes for *COOL TREATS AND HOT EATS*. On October 27th Dairy Queen added six new sandwiches to its menu.

Located next to I-90 and having the only drive-through window in the area gives The Dairy Queen of Forsyth an advantage in the market place. The main benefits of a national franchise are marketing assistance/expertise, and assistance in providing pertinent research data in relation to industry trends.

In the fall of 2003 Carla and Glen sought assistance from Colstrip Small Business Development Center (SBDC) Director, David Anderson, to assist with the planned purchase of the Company. Anderson was able to assist with business plan development and accompanying financial projections.



MONTANA STATS SEPTEMBER 2004

UNEMPLOYMENT: Montana's seasonally adjusted unemployment rate rose 0.3 percentage points to 5.1% for September, while the U.S. rate held steady at 5.4%.

EARNINGS: Average weekly earnings for Montana's private sector workers dropped from \$438.90 in August to \$424.91 in September. However, this average marks an over-the-year increase of 0.2%. The Consumer Price Index (an indicator of U.S. inflation) increased by 2.5% over-the-year.

SECTOR EMPLOYMENT: Montana's seasonally-adjusted, nonagricultural payroll employment was up about 4,300 jobs (1.1%) over the year for September. The largest over-the-year gains were in natural resources and mining, which was up by 1,200 jobs (20.7%); construction, up 1,400 jobs (5.9%); and professional and business services, up 1,200 jobs (3.7%).

Source: RESEARCH & ANALYSIS BUREAU—MT DEPT OF LABOR/INDUSTRY
www.rad.dli.state.mt.us

SEMDC Board of Directors

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Forsyth*

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Vice President
Colstrip*

*Less Mahon-Sec/Treas
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Ashland*

*Mack Cole
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Hysham*

*Roberta Harris
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Coal underlies 13% of total U. S. land area, encompassing some 458,000 square miles. Measurable quantities are found in 38 states; in 31 of them the coal is considered mineable, and mining operations currently take place in 25 states.

— — — *Montana Coal Council*





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"Growing Montana ~ One Job at a Time"

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E-mail: semdc@mcn.net
Website: www.semdc.org

HAPPY THANKSGIVING

Coming Soon

UP-COMING EVENTS

**November - December: Comprehensive Economic Development Strategy (CEDS)
Rosebud, Custer, Powder River and Treasure Counties**

November 25th: HAPPY THANKSGIVING!

**December 2: Comprehensive Economic Development Strategy (CEDS)
Committee Meeting- Colstrip**

December 25: MERRY CHRISTMAS!

January 12th: "Got Socks" Official Shareholder Meeting - Colstrip

SEMDC and SBDC STAFF

Jim Atchison.....	Executive Director
David Anderson.....	SBDC Director
Caprice Gregory/Pam Hill.....	Administrative Assistants