INTRODUCTION

On March 28, Governor Steve Bullock, acting on the advice of public health officials, issued a Stay-At-Home order. This directive shut down large portions of our state’s economy to contain the spread of COVID-19. As a public health measure, this effort has been a success – COVID-19 cases peaked early at a relatively low number, our hospitals have not been overburdened, and our state’s death toll from this pandemic is among the lowest in the nation.

These steps to protect public health have taken a drastic toll on our economy. Our inability to gather, shop, and travel have caused a severe direct financial hit to many of our businesses, with ripple effects throughout the economy. Economic output is down sharply. In the Yellowstone County Economic Response and Recovery Survey conducted in late April, 92% of companies reported that COVID-19 had somewhat or extremely negative impacts on their business.
Employment numbers also took a dramatic hit. According to the Montana Department of Labor and Industry, April unemployment claims in Yellowstone County reached 8,824, resulting in an unemployment rate of 11.1%. This represents a 196% increase in unemployment compared to the previous month (March). Unemployment claims peaked on the week ending April 18, 2020 and have fallen consistently since. This decrease is at least in part attributed to the federal Paycheck Protection Program (PPP). Over twenty thousand Montana businesses received PPP.

<table>
<thead>
<tr>
<th>Loan Count</th>
<th>Net Dollars</th>
<th>Loan Dollars Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Dakota</td>
<td>19,183</td>
<td>$1,754,925,373</td>
</tr>
<tr>
<td>South Dakota</td>
<td>21,533</td>
<td>$1,647,772,605</td>
</tr>
<tr>
<td>Colorado</td>
<td>99,807</td>
<td>$10,234,368,111</td>
</tr>
<tr>
<td>Wyoming</td>
<td>12,895</td>
<td>$1,021,036,842</td>
</tr>
<tr>
<td>Montana</td>
<td>22,399</td>
<td>$1,746,953,456</td>
</tr>
<tr>
<td>Idaho</td>
<td>29,051</td>
<td>$2,546,673,937</td>
</tr>
</tbody>
</table>

*Approved as of 6/12/2020

**Phase II brings additional economic activity, but** uncertainty remains high as businesses begin to open with limitations and precautions in place. Experimenting with modifications intended to protect health under circumstances that are not yet fully defined, businesses are searching for solutions to help them survive the immediate impacts of this pandemic, revive their businesses and consumer confidence, and thrive in the coming years by learning lessons and seizing available opportunities to build a more resilient business model.
While there are still many unknowns when it comes to recovery, Montana appears to be performing better than many other states in the nation – as can be seen in the national comparison of change in joblessness. The questions will be, will this trend continue, and how can the business community be supported in a way that leads to recovery?

In addition to the change in joblessness, there are, as of June 16, 2020, 2,600 job postings in Yellowstone County with the top five positions hiring being: retail salespersons, registered nurses, first-line supervisors of retail sales workers, sales representatives, and first line supervisors of food preparations and serving workers.
YELLOWSTONE COUNTY ECONOMIC RESPONSE & RECOVERY TEAM

Yellowstone County’s Economic Response and Recovery Team was formed at the beginning of this crisis with a mission to coordinate responses to the immediate needs of our business community, identify and fill gaps in services and resources, guide the development of the community’s near-term economic recovery plan, and help define objectives for a comprehensive economic development strategy designed to build the foundation for our future community and economic development growth. This team consists of business owners, County and City elected leadership, health care experts, and community and economic developers.

TEAM MEMBERS:

- Steve Arveschoug, Big Sky Economic Development
- John Brewer, Billings Chamber of Commerce
- Katy Easton, Downtown Billings Partnership
- Lilly Corning, (retail/commercial development) Corning Companies
- Kris Carpenter (retail) Joy of Living/Sanctuary Spa and Salon
- Mike Nelson (hospitality) Northern Hotel
- Luke Kobold (healthcare) Billings Clinic
- Ty Elkin (healthcare) St. Vincent Healthcare
- Dr. David Graham (healthcare) St. Vincent Healthcare
- John Felton (public health) Riverstone Clinic
- Tom Schlotterback (healthcare) St Johns United
- Taylor Brown (Ag) Northern Ag Network
- Courtney Kibblewhite (Ag) Northern AG Network
- Don Jones (County leadership/small business owner) County Commissioner
- Shaun Brown (City leadership/ BSED Board) City Councilman
- Mike Seppala (banking) Western Security Bank
- Bill Coffee (banking) Stockman Bank
- Brian Brown (banking) First Interstate Bank
- Martin Dewitt – Small Business Administration
- Steve Simonson (regional ED) Beartooth RC&D
- Leonard Smith, Native American Development Corp.
- Mary Walks Over Ice, Native American Development Corp.
- Matt Robertson (commercial real estate) NAI Business Properties
- Kim Jakub (natural resources) ExxonMobil
- Bryan Wood (manufacturing) Wood’s Powr-Grip
- George Warmer (commercial real estate) Coldwell Banker Commercial
- Brad Anderson (restaurants) Anderson Management Group
- Matt Brosovich (restaurants and hospitality) Ciao Mumbo, Big Horn Resort
- Alex Tyson (tourism) Visit Billings
- Sean Lynch (event venues) Pub Station
- Tim Goodridge (event venues) MetraPark
- Shelli Mann (hospitality) Boothill Inn
- Ken Lutton (IT) Technology by Design/Yellowstone Tech Sector Partnership
- Cami Nelson, Laurel Chamber of Commerce
- Eric Basye (Non-profits) Community Leadership & Development, Inc.
The Team is supported by a Technical Support Group in the following disciplines:

**Economic Impact Analysis**
- Allison Corbyn – Big Sky Economic Development
- Andy Zoeller – City of Billings

**Planning**
- Wyeth Friday – City of Billings
- Nick Altonaga – City of Laurel

**Legislative Liaison**
- Daniel Brooks – Billings Chamber

**Communications**
- Melanie Schwarz – Big Sky Economic Development
- Kelly McCandless – Billings Chamber

**Legal**
- Jeanna Lervick – Yellowstone County Attorney’s Office

**Project Management**
- Thom MacLean – Big Sky Economic Development

The Economic Response and Recovery Team has four project committees tasked with executing the unique aspects of our mission.

- **The Response Coordination and Communication** committee actively coordinates efforts to support the immediate needs of our business community, identifies gaps in services and support, and effectively informs businesses and the community about available resources through communication channels, including our website: yceconomicrecovery.org.
- **The Economic Impact Assessment** committee assesses and documents the economic impacts to our community, especially those sectors and organizations which have been hardest hit. They provide analysis to support funding requests and to inform our economic recovery planning process.
- **The Strategic Restart Partnership** developed a set of guidelines to support the reopening of our businesses in partnership with our Public Health Officer and the Governor’s Coronavirus Task Force. They encourage a strategic approach to the reopening of our businesses that supports public health and business operations, protecting both staff and customers. The “Open and Safe” campaign, designed and implemented by this team, has been a huge success in Yellowstone County and has been copied by other communities throughout Montana.
- **The Recovery Planning** Committee will help develop and implement an economic recovery plan that serves to prioritize the projects and initiatives that best support our economic recovery for the near term and over the next three years.
YELLOWSTONE COUNTY – MONTANA’S ECONOMIC HUB

Yellowstone County is home to fifteen percent of Montana’s population. Its economy is also the State’s largest, accounting for 19 percent of Montana’s GDP (2018) and 18% of all income tax paid in the State (2018). As the largest community in a 500-mile region, Yellowstone County is the regional business and healthcare hub.

However, Yellowstone County’s position as a regional hub makes it more susceptible to the detrimental economic consequences of the COVID-19 pandemic. Chmura Analytics has rated Yellowstone County as the 322nd most vulnerable county out of 3,141 counties nationwide. Chmura’s Vulnerability Index measures the negative impact that the coronavirus crisis can have on employment based on the region’s mix of industries.

Of the top ten most vulnerable industries, eight of them have a higher than national average concentration in Billings.

The efforts of the Economic Response and Recovery Team are to respond to the immediate needs of our businesses and to forge a clear plan for the recovery of our economy and our community.
Montana Coronavirus Relief Fund Grant Programs

The state of Montana received 1.25 billion from the CARES Act to offset direct impacts/costs related to COVID-19. To date the state has deployed eleven grant programs and one loan deferment program utilizing these dollars:

- Montana Adaptation Program
- Montana Meat Processing Infrastructure Grant
- Montana Business Stabilization Program
- Montana Innovation Program
- Montana Food and Agriculture Adaptability Program
- Local Government Reimbursement Program
- Public Health Grants
- Stay Connected Grants for Seniors
- Social Services Non-profit Grants
- Food Bank and Food Pantry Assistance
- Telework Assistance Grants
- Montana Deferment Loan Program

Approximated 16,000 Montana businesses have made application for these funds. The YC RRT provided recommendations to the Governor’s CRF task force with an emphasis on business stabilization and adaptation grants. The full set of recommendations are available at www.yceconomicrecovery.org

YELLOWSTONE COUNTY ECONOMIC RECOVERY PLAN

This Yellowstone County Economic Response & Recovery Plan is a guiding document developed by the Economic Response and Recovery Team. The plan is developed in three parts, based on the time frame.

Section One – Response and Stabilization – addresses the short-term challenges created by this pandemic. The immediate goal is to ensure that area businesses have the resources, information, and support they need to weather the COVID-19 disruption. The recovery team seeks to work with our businesses and in partnership with the Public Health department to safely and effectively restart our economy. This work began in anticipation of the Phase 1 reopening (April 26, 2020) with the development of the Open and Safe campaign. It focuses on businesses identifying themselves as maintaining a clean space with regard to CDC/health department recommendations and opens the dialogue with consumers about how they can provide an experience that meets expectations. This will be an ongoing effort as social distancing requirements and CDC recommendations evolve.

Section Two – Business Recovery – will sustain and build upon momentum achieved in our response and stabilization efforts. We will advocate for businesses to help them recover from the effects of the shutdown and build more resiliency. We expect the timeframe for this phase will be months three through twelve (July 2020 – April 2021).
Section Three – Building Economic and Community Resiliency – takes a mid to long-term view of our recovery, from October 2020 – April 2023. It concentrates on creating a thoughtful strategy to address the challenges caused by this pandemic and to discover and consider new opportunities to develop a stronger, more resilient, regional economy.

Section Details

Section One – Response and Stabilization

The sharp and sudden economic disruption caused by COVID-19 related closures that began on March 24th created a dramatic impact on businesses of all types. Especially affected were those that were not deemed “essential”. Many “non-essential” businesses that could not adequately adapt went from business as usual to zero revenue overnight. Those employed in non-essential businesses found themselves applying for unemployment. In response to this extraordinary event, local, state, and federal support programs were developed, trying to fill the gaps and support businesses to prevent them from closing indefinitely. While funding programs have been one element of response and stabilization, the support needed is multifaceted.

Help businesses overcome the immediate challenges posed by this pandemic, focus on safely and effectively reopening our economy, assist businesses as they learn and adapt, and restore consumer confidence.

Time Frame: 0 – 3 months

Support the safe restart of Yellowstone County businesses, activate our workforce, and re-engage customers

- Collaborate to eliminate duplication of effort and provide easy access to solutions for business
- Provide direct support services (BSED loans, SBDC consultation services, industry-specific trainings, information sessions, etc.) and act as a conduit for businesses to access needed resources to survive the impact of COVID-19 and reopen (SBA tools, CRF grants, loans, etc.)
- Act on our Business/Public Health partnership to guide business reopening
- Initiate and sustain the Open and Safe campaign to assure safe reopening and build confidence
- Support and facilitate the Normal 2.0 supply needs of businesses (PPE, hand sanitizer, etc.)
- Focus time and resources on the hardest hit industries that will see impacts for months to come (hospitality, events-driven venues, tourism)
- Assist in the interpretation of guidelines as we move through the various phases – help guide businesses in a more organized fashion.
**Measures of Success:**

- Track participation in learning sessions and information forums provided by the Billings Chamber, BSED, SBDC, SBA, and other partners
- Track website usage data – clicks, page views, downloads, etc. – to monitor business and community engagement
- Gather regular feedback from a representative cohort of businesses, distinguished by Phases, to determine status and any needs or gaps
- Develop baseline data – including existing metrics (SBDC, PTAC, loan fundings, SBA) and periodic surveys – to evaluate progress
- Partner with the Public Health Officer to monitor public health data and consider responses

**Section Two – Business Recovery**

Following the initial reopening for all businesses and as federal programs such as the Paycheck Protection Program run out, there will be ongoing needs to reach out to businesses – to identify challenges, advocate for businesses, and continue to provide resources to support business growth, diversification, and resilience. Montana has one of the highest per capita rates for small business ownership. This means that business survival has a direct impact not only on the people it employs but also on the sole proprietor’s ability to retain a source of income. Acknowledging that the need of each industry will vary, this effort will include a monthly pulse check on businesses within the most vulnerable industries.

**Sustain response and stabilization momentum, advocate for businesses to increase demand for their goods and services and build business resiliency.**

**Time Frame: 3 – 12 months**

**Sustain our business restart, retain our businesses, and support business needs to adapt and grow beyond COVID-19**

- Sustain Economic Response and Recovery Team structure. Identify a smaller Steering Committee to monitor and report back to the overall team.
- Provide ongoing resources for businesses during the adaptation phase (business planning, resource portal for EAP, resiliency/contingency planning, etc.)
- Earmark resources for the transition period – the next three to twelve months (loans, additional expertise, training, etc.)
- Facilitate learning-from-each-other as we collectively adapt procedures, practices, and business models that work.
- Continue to build consumer confidence
- Promote Buy Local/Click Local
- Support the discovery efforts and technology needs of businesses as they learn their Normal 2.0.
- Continue to assess business needs through real-time outreach and surveys to educate our work plans
• Determine workforce needs and the training and education alignment that is necessary to meet changing current and future needs (BillingsWorks’ role)
• Using public health benchmarks, educate the community of its responsibility to help sustain our safe reopening and recovery and promote the importance of safe protocols to our progress

**Measures of Success:**

• Track the number of businesses engaged with on an ongoing basis to facilitate collection of quantitative data
• Develop benchmarks (e.g., # of businesses prior to COVID-19) to measure results (# of businesses retained, # of new businesses/business licenses)
• Maintain a sample group of impacted businesses and monitor their progress (employment base, sales, supply chain challenges, etc.)
• Evaluate our emergency response and recovery plan/progress through communication and comparison with our peer communities.

**Section Three – Building Economic and Community Resiliency**

“A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.” – Winston Churchill

Economic recovery from the COVID-19 pandemic is an unprecedented challenge but focusing solely on recovery does not position our community for the future. By applying knowledge from past crises and seeking innovative approaches and solutions, we will develop new strategies to meet our goal of emerging with a stronger economy and more attractive community.

To do that there needs to be a common vision and common goals. Below are the essential themes of these goals:

• Incentivize and support entrepreneurship
• Employ new tactics and models to support small businesses
• Invest in critical infrastructure, specifically broadband
• Develop quality of place and talent attraction initiatives
• Support workforce re-skilling and re-employment efforts
• Create manageable goals and embrace incrementalism
• “Move to where the puck will be.” – Develop for what will be, not what was

Many of the emerging opportunities available to Yellowstone County in recovery from this pandemic are related to its location and its size. Many urbanites are seeking new homes with a better quality of life – because of the fear induced by COVID-19 in many urban hotspots; or because working remotely has become more comfortable, prevalent, and accepted; or both. People want a vibrant community that they can afford and that offers them opportunities.

Another opportunity based on Yellowstone County’s location is expansion of its role as a center for distribution and manufacturing. Yellowstone County has long been the commercial center of Montana and the region by virtue of its strong and diverse economy,
its talented and determined workforce, and its strategic location midway between Minneapolis, Denver, Seattle, and Calgary. There are strong indications that businesses, learning lessons from this global pandemic, will seek to re-shore manufacturing and shorten supply lines. Both would bode well for the Billings area. As a prime crossroads with a strong commercial/industrial base and great access to road, rail, and air transportation networks, Yellowstone County could make an excellent location for manufacturing facilities, processing facilities, and distribution hubs.

Section Three of our Recovery Plan seeks to capitalize on these opportunities delivering on a stronger economy and more attractive community.

Understand the extent of the economic impacts and business trends that have affected our community and region and consider new opportunities and strategies to build a strong, resilient, and vibrant regional economy.

Time Frame: 6 months – 3 years

Position Yellowstone County for new opportunities that will strengthen our ability to grow and lead as a regional hub

- Seek a common vision for our community
  - Use Community Builders (or similar technical assistance) as a resource to create a common set of goals and strategies to develop community-wide consensus. Create a collective vision for all leadership on investing in and building our economy/community
  - Coordinate with local legislators to advocate for tools that support our economic recovery
- Build for economic resiliency
  - Provide ongoing best practices training for business resiliency
  - Strengthen our economic diversity by growing local businesses and supporting entrepreneurship
  - Lean in to the innovation of our regional healthcare delivery system
  - Develop Public Safety funding strategies to protect the gains businesses have worked so hard to restore
- Stay committed to Workforce Development
  - Immediate – get many back to work through an effective restart
  - Support the re-positioning of City College, MSUB, and RMC as they adapt and retool
  - Identify new and emerging workforce needs
  - Retrain/Re-educate our “future” workforce
- Commit to Strategic Community Infrastructure/Assets investment, examples include:
  - Downtown Redevelopment consistent with existing concepts and plans
  - Advocate and facilitate additional workforce housing
  - MetraPark Master Plan/EBURD potential development
  - Develop and prioritize a list of strategic shovel-ready projects for possible Federal stimulus, e.g., Billings Bypass, Inner Belt Loop
- Develop a broadband/fiber buildout strategy for both businesses and residences
- Develop strategic placemaking projects, e.g., Skyline Trail, Coulson Park, Castlerock Park, South Billings Aquatic and Recreation Center, etc.
- Capitalize on and support our position as a regional healthcare provider and seek business growth and education partnership opportunities in this sector (i.e., Discovery Center Concept evaluation with Mayo)

- Capture “small metro” advantages/opportunities
  - Update target-industry analysis to support and focus our business attraction and expansion efforts
  - Sustain and amplify our Better Off in Billings talent attraction initiative to promote Yellowstone County as a vibrant, affordable urban opportunity in beautiful Big Sky country.
- Embrace our responsibility as a regional hub and support the economic recovery of communities throughout our trade area
  - Strengthen communication and economic ties to our reservation communities
  - Foster greater connections/communications between civic and business leaders in our regional-partner communities

**Measures of Success:**
- Community Visioning Document (Created through regional public process and supported by outside technical assistance)
- Capital Plan for Strategic Community assets
- Update regional targeted industry analysis
- Measurable economic growth for the Billings MSA

**Seize regional economic growth opportunities that support the economic recovery of communities throughout our trade area**
- Cultivate value-added agricultural opportunities that support regional economic growth (processing/packaging and distribution of key crops and meat packing, etc.)
- Support efforts to sustain critical access hospitals/services in our rural communities.
- Maintain our Coal Country Coalition
- Develop a regional Workforce Development strategy to reengage the workforce, improve worker retention, and boost employee versatility

**Measures of Success:**
- Measurable economic growth throughout the region over the next five years
Public Engagement

Implementation – Next Steps

- Adoption of Recovery Plan by Unified Command
- Sustain Economic Response and Recovery Team
  - Establish a Steering Committee
- Assign Recovery Plan elements to team members as appropriate
  - Establish quarterly reporting structure to monitor progress
- Gain commitment from City and County officials and key partners toward a structure
  and process to develop a common vision for Yellowstone County.