Lincoln County, Montana Comprehensive Economic Development Strategy

October 2019

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Overview

A Comprehensive Economic Development Strategy (CEDS) is a plan to build capacity and guide the economic prosperity and resiliency of an area. It is a key component in establishing and maintaining a robust economy by laying out steps for building regional capacity that contributes to the success of the community. Lincoln County's 2019 CEDS update provides a vehicle for individuals, organizations, local governments, and private industry to engage in a meaningful conversation and debate about what capacity-building efforts would best serve economic development in the County. Additionally, in order to qualify for assistance from the U.S. Economic Development Administration, a CEDS must be updated every five years. Lincoln County's last CEDS update occurred in 2013.

Lincoln County's CEDS is intended to bring together public and private actors in creating a strategic roadmap for strengthening both local and county-wide economies. The CEDS analyzes the economic conditions in Lincoln County and serves as a guide for establishing county-wide goals and priorities for implementing a plan of action. The CEDS is designed to increase job opportunities and local tax bases and foster a more stable, diverse, and resilient economy. It also provides a vehicle for prioritizing needs and responsibilities in order to achieve meaningful results in the short and long term. Finally, the CEDS provides a useful benchmark by which the County can measure success towards achieving its economic development goals.

CEDS Structure

Lincoln County's CEDS is organized into the following seven chapters 1. Introduction, 2. Economic background, 3. Key indicators, 4. Public infrastructure and services, 5. SWOT analysis, 6. Action plan, and 7. Evaluation framework. The economic background chapter outlines the current economic climate in Lincoln County including an overview of some of the economic challenges and opportunities. The key indicators chapter provides an analysis of available data on issues pertaining to the economy, demographics, housing, and land use. The public infrastructure and services chapter details the level of available infrastructure and services in Lincoln County. The SWOT analysis chapter summarizes the strengths, weaknesses, opportunities, and threats exercise conducted as part of the CEDS update process. The action plan chapter is perhaps the most critical element of the CEDS and lays out a series of goals and detailed actions for creating a healthy and resilient economy in Lincoln County. Finally, the evaluation framework chapter provides a simple and straightforward tool for Lincoln County and its partners to use in measuring the successes (or failures) of implementing the CEDS.

CEDS Update Process

Lincoln County's 2019 CEDS update was guided by a steering committee made up of individuals representing a broad range of interests including local government, private business/industry, civic leaders, philanthropic organizations, education, workforce development, and other organizations/individuals involved in

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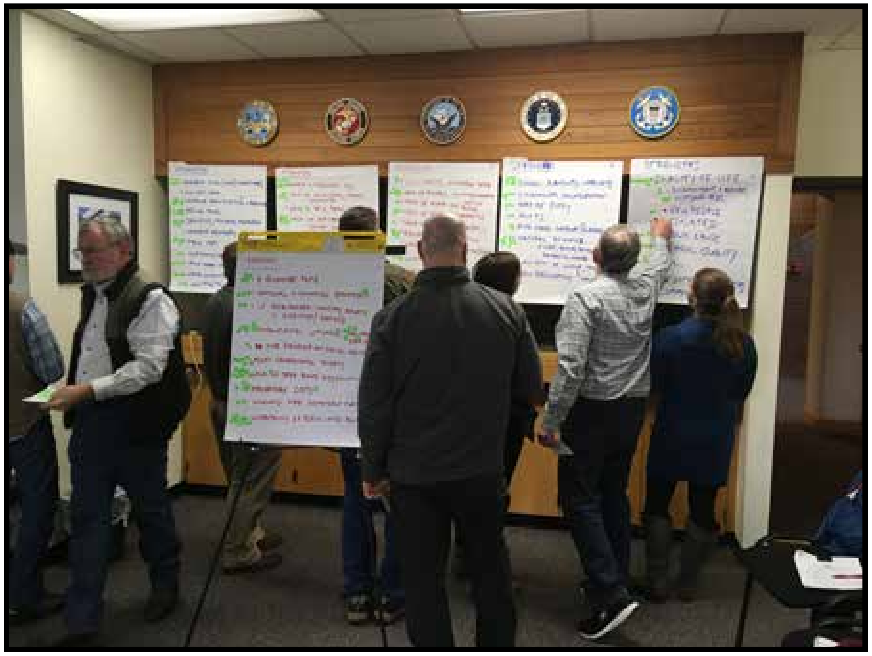
economic development in Lincoln County. For a full list of steering committee members see Appendix A. The steering committee served as an advisory body to the Lincoln County Commissioners who are the ultimate decision makers in adopting the 2019 CEDS update.

Lincoln County's CEDS update was done in conjunction with the County's 2019 Growth Policy update. As a result, there are some topic areas that are not covered in detail in the 2019 CEDS update but which are addressed in the growth policy update, such as wildland-urban interface fire concerns, intergovernmental coordination, and a host of other topics in Lincoln County's purview. As these documents were updated in concert, they share several similarities, and are intended to reinforce one another with the overall goal of improving economic conditions and the quality of life of Lincoln County residents.

Public Process

Along with being directed and vetted by the CEDS steering committee, Lincoln County's 2019 CEDS was also informed by a public outreach process conducted along the with the growth policy update. The public outreach process included open houses in Troy, Libby, and Eureka as well as a public survey which received 370 responses. The state of Lincoln County's economy was on the forefront of people's minds during the public outreach process. Priority items for residents included providing fast and reliable internet in underserved communities, working with federal agencies on forest management, expanding recreation opportunities, and infrastructure upgrades to support commercial and industrial growth. Lincoln County residents also voiced support for continued targeted economic development, evidenced by the fact that 75% of survey respondents indicated they were "very supportive" or "supportive" of Lincoln County providing financial incentives for economic development, while 60% of respondents indicated supporting economic development organizations should be a high priority of the County.



ECONOMIC BACKGROUND

Overview

Historically, Lincoln County's economy has been anchored by natural resource extraction, primarily mining and the harvesting and manufacturing of forest products. The government sector has also been a traditional source of steady employment. Together, these industry sectors have contributed to direct and indirect employment in other important sectors in the County, notably healthcare, construction, and retail.

Over the last several decades, however, a number of local and national factors have contributed to significant changes in the economic landscape. Decreasing timber harvests, coupled with the corresponding closures and destruction of wood products mills, have resulted in steady declines in forestry and manufacturing employment. There are currently no large-scale dimensional lumber mills in Lincoln County. The 2015 closure of the Troy Mine, and the ongoing process to get the Rock Creek and Montanore mines operational, have resulted in a substantial loss of mining jobs and growing uncertainty about when (if ever) they may return. One outcome of these events is that since 1990 Lincoln County has continually had high unemployment relative to the State of Montana. Lastly, with the Environmental Protection Agency's (EPA) cleanup effort of the Libby Asbestos Superfund Site ending, the number of government jobs has decreased as well. The departure of the EPA is anticipated to have rippling effects on the south Lincoln County economy as the direct economic impact resulting from the EPA cleanup efforts was estimated to be around $9,000,000 a year.

Despite the above noted downward employment trends, it is not all doom and gloom in Lincoln County. There are several organizations actively working to stimulate the growth of living wage jobs throughout the County. Additionally, Lincoln County and partnering organizations have been actively working to increase the quantity and quality of outdoor recreation opportunities which in turn can help attract additional residents and future business owners and bolster the local tourism economy.

With all this in mind, the question is, how can Lincoln County retain existing businesses and industries while leveraging its assets to attract new residents and industries to diversify the economic base and provide new living wage jobs? Many rural communities throughout the west are wrestling with this same question and there is no silver bullet solution. The process of economic recovery is slow, with small successes building on one another over a period of years. However, with a coordinated economic development strategy, Lincoln County has the opportunity to build on its assets and begin reversing the trend of steady economic decline.

Economic Development

Kootenai Business Park

Acquired after Stimson Lumber Company ceased activity on the property in 2002, the Kootenai Business Park (KBP) is a 400-acre site owned and operated by the Lincoln County Port Authority (LCPA) for commercial and industrial development. The site lies immediately adjacent to the City of Libby but is in the jurisdiction of Lincoln County. The site has direct access to U.S. Highway 2 and borders the mainline of the Burlington Northern Santa Fe (BNSF) rail line. Recently the KBP rehabilitated spur access to the BNSF mainline, with capacity for over 200, 82-foot rail cars.

In terms of infrastructure, the KBP has electrical, water for fire suppression, and a wastewater distribution system. A major strategy of the KBP is the continued investment in infrastructure on the site to attract and support commercial and industrial development. One major infrastructure deficiency needing to be addressed is KBP's water system. Existing water mains can only accommodate existing development and they are nearing capacity. In order to accommodate new development KBP needs to extend its water mains to connect to the City of Libby's water system. Additionally, while KBP has a wastewater distribution system, it is nearing capacity and cannot accommodate a significant amount of additional development. As a result, the site will also need to connect to the City of Libby's sewer system in order to expand development opportunities.

To aid in the funding of infrastructure, in 2014 the Lincoln County Commissioners approved the creation of a targeted economic development district (TEDD) at the site. One hurdle for the KBP is the fact that it is a designated Superfund site due to groundwater contamination caused by a previous wood products facility. KBP asbestos remediation was completed in 2012 and the LCPA is in the process of removing that Superfund designation from the site. However, groundwater contamination remains on the site, with ongoing monitoring.

Tobacco Valley Industrial District

The Tobacco Valley Industrial District Business Park (TVID) is located on 22-acres outside of Eureka in the jurisdiction of Lincoln County. The district is broken up into 12 lots of varying sizes with lease and sale options for businesses. One of the cornerstones of the district is the business incubation facility, which provides warehouse and manufacturing sites tied to office spaces. The incubator program is intended to provide a physical location for start-up growth that will reduce companies' overhead and operational start-up costs for one to four years. Space is offered at below-market rates. When business owners graduate from the program, they can choose to lease or buy one of the lots.

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The property has high speed fiber internet, 3-phase power, and there is a business center where classes in finance, management, marketing and other business skills are available. The focus of the business incubator facility is on wood based businesses, although all types of manufacturing, technology and industrial businesses are eligible. For infrastructure, the TVID needs additional wastewater and water capacity in order to support additional commercial development. The site is served by individual septic systems and two wells which do not produce high flow rates.

Opportunities at the Canadian Border

Lincoln County's proximity to Canada provides an opportunity for the Eureka area to capitalize on that proximity to stimulate the local economy. One such potential opportunity is through the creation a foreign trade zone (FTZ). Administered by the U.S. Department of Commerce, FTZs are a vehicle intended to assist American companies in competing internationally. They are defined areas exempt from traditional U.S. Customs and Border Protection restrictions which allow companies to save money on import duties and processing fees. Companies in an FTZ can import materials without being subject to international duties or local taxes and then process those materials into a finished product to be shipped globally without being subject to export duties. There are over 250 FTZs in the United States and the only one in Montana is located in Butte. Eureka's proximity to the Roosville Port of Entry presents a unique opportunity for establishing an FTZ in the north end of the County.

Mineral Resources

Lincoln County is a mineral rich county along with its neighbor to the south, Sanders County. The two counties share large copper and silver ore deposits that offer tremendous opportunity for economic growth and job creation. Historically, Lincoln County has been home to several active and productive mining operations. However, with the closing of the Troy Mine in 2015, mining operations, and employment in mining, are virtually non-existent. There are plans by the Hecla Mining Company to bring the Montanore and Rock Creek copper and silver mines into operation in nearby Sanders County. However, these mines have been tied up in regulatory processes and legal challenges for years. While both proposed mines are in Sanders County, it is expected that if they ever become operational, they will provide a substantial number of job opportunities for Lincoln County residents.

Forest Resources

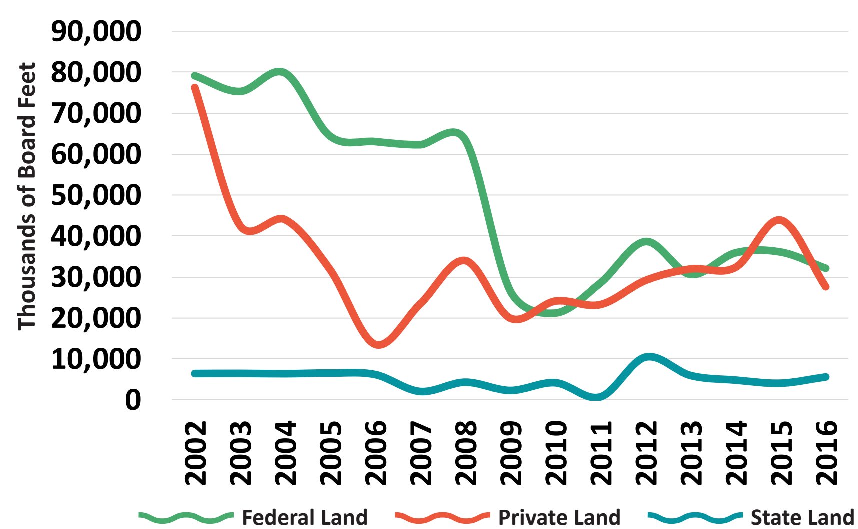
Lincoln County is heavily forested, with conifer forests covering over 80% of the County. The U.S. Forest Service owns the majority of forestland in the County, which is managed by the Kootenai National Forest. Stimson Lumber and Weyerhaeuser also collectively own over 300,000 acres of forest land in the County. The predominate tree species in Lincoln County are Douglas fir, lodgepole pine, western larch, ponderosa pine, grand fir, hemlock, western white pine, sub-alpine fir and cedar, with isolated pockets of whitebark pine at higher elevations. Increased tree density and fuel loading as a result of fire suppression has created stress on forests, resulting in increased insect and disease activity. This, in turn, has resulted in more intense wildfires over a greater land area than existed historically.

Timber Harvests

Historically the timber industry has been an important economic driver in Lincoln County in the form of both logging operations and wood processing. However, as of 2019 there are no large lumber mills in Lincoln County and timber harvests have steadily decreased over the last 30 years. As of 2019 the closest large lumber mills are located 40 miles west of Libby in Moyie Spring, Idaho and 60 miles southeast of Eureka in Columbia Falls. The result is that timber employment has decreased from 26% of total private employment in 1999 to just over 4% in 2016.

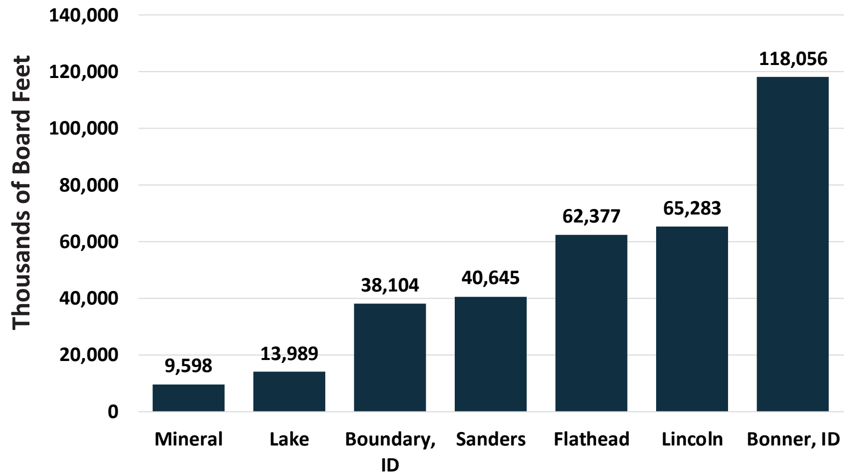
Over the last roughly 20 years, the majority of timber harvests in Lincoln County have been done on federal and private forest lands, with state lands representing a small share of total timber harvests. However, between 2002 and 2016 timber harvests dropped substantially on both private and federal lands – see Figure 1. Despite this drop in timber harvests, as of 2016 Lincoln County still ranked second in timber harvests when compared to neighboring counties in Montana and Idaho – see Figure 2.

Figure 1 - Lincoln County Timber Harvest By Land Ownership



Source: University of Montana Forest Industry Research Program

Figure 2 - Timber Harvests By County 2016



Source: U.S. Census Bureau County Business Patterns

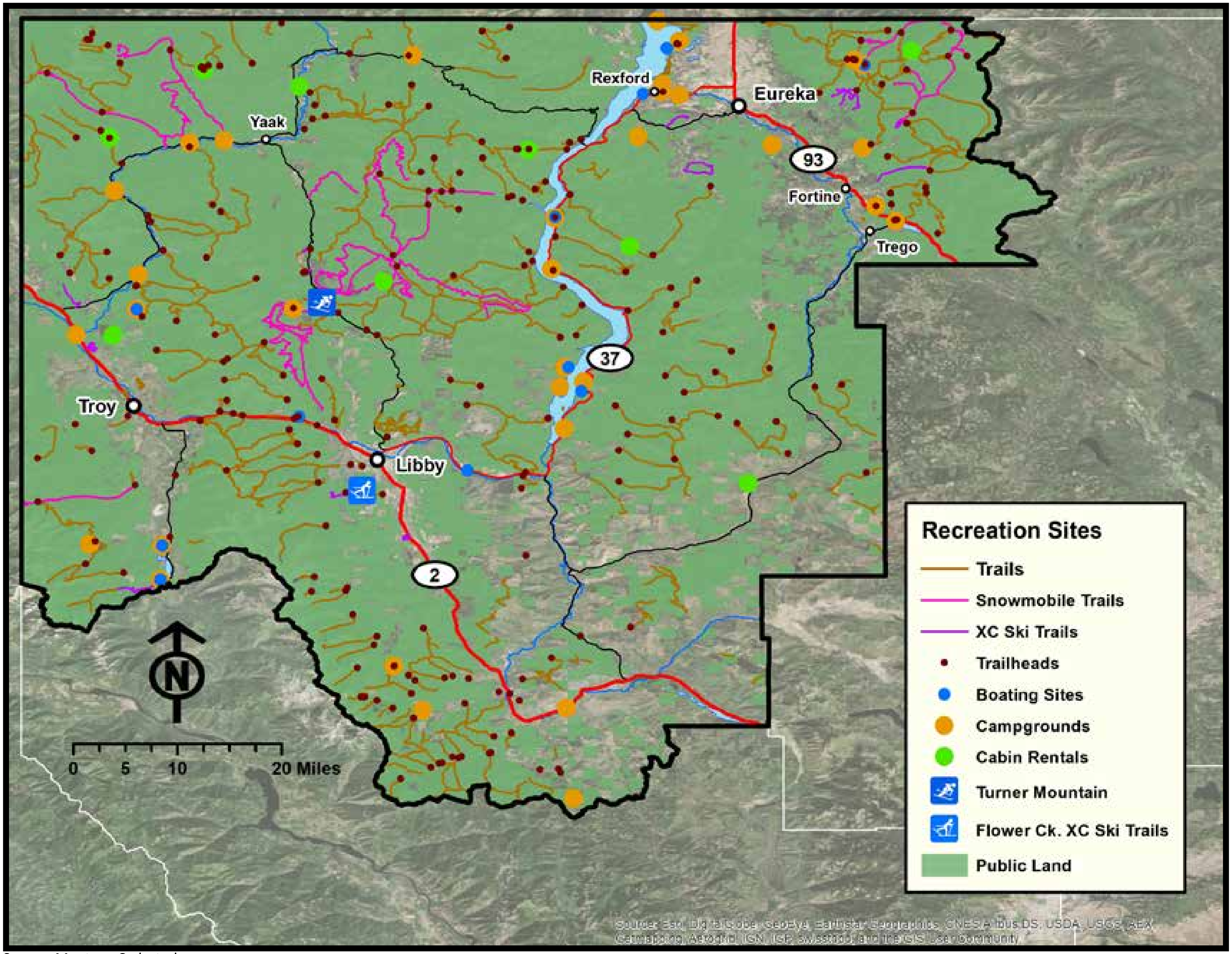
Recreation and Tourism

With over 75% of the County in public ownership, Lincoln County is an outdoor enthusiast's dream. Fishing, hunting, snowmobiling, ATV riding, skiing, hiking, rafting, and mountain biking are all available to residents and visitors. Figure 3 displays the myriad recreation sites and amenities in Lincoln County.

In summer the recreation opportunities are nearly limitless. The Kootenai National Forest boasts some of the greatest opportunities in the state for seeking solitude on a day hike, backpack, or hunt. For water sports, including fishing and boating, the County has Lake Koocanusa and the Tobacco and Kootenai Rivers. In recent years Lincoln County has started to become a destination for both road and mountain biking. The annual Scenic Tour of the Kootenai River is in its 25th year and brings hundreds of cyclists to the County who patronize local businesses. On the mountain bike front, the County has been actively working with state and federal partners to develop trails on public lands. With the rise of bicycle tourism in Montana, there are opportunities for attracting these visitors to Lincoln, visitors who are increasingly seeking small inviting downtowns with open expanses of trails and scenic roads.

For winter sports Lincoln County is home to the downhill ski area Turner Mountain, one of the only ski areas in the country available for private rental. Eureka is centrally located between skiing destinations in Whitefish and Fernie, BC. There are also a multitude of opportunities for snowmobiling on groomed trails and forest service roads. Lastly, local cross-country ski groups have been active in developing groomed trails in both the south and north ends of the County, the most notable being the South Flower Creek cross-country ski area outside of Libby.

Figure 3 - Map of Recreation Sites



Source: Montana Cadastral

ECONOMIC BACKGROUND

Lincoln County's unparalleled access to public lands and their recreational amenities is an asset that not only benefits existing residents, but which can be harnessed as one piece of the economic development puzzle. Increasingly younger generations are choosing where to live based not necessarily on the availability of jobs, but on quality of life amenities such as recreational opportunities like parks, trails, rivers, and access to open spaces. An increasing number of young adults are choosing to relocate from urban areas to rural communities based on these quality of life factors. These new residents have the potential to become future entrepreneurs in places like Lincoln County. Additionally, the internet has enabled many people to work remotely from the places they choose to live.

Agriculture

Agricultural in Lincoln County is limited due to mountainous terrain and narrow valleys. The only considerable body of open land for agricultural purposes is located in the Tobacco Valley near Eureka. Accordingly, less than 5% of the land in Lincoln County is classified as rangeland or agriculture.

While agriculture may play a limited role in Lincoln County, there are still opportunities in value added agriculture and specialty agriculture products. Value added agriculture generally refers to the processing of agricultural commodities into a finished value-added product. For instance, turning strawberries into strawberry jam, milk into cheese, or apples into cider. Value added agricultural products have the potential to generate higher return for producers and allow them to reach different niche markets. However, one limiting factor for small producers throughout Montana is the cost of developing adequate processing facilities when the actual amount of processing may be quite limited for each producer. One potential option to address this is through the creation of a food incubator which would have a shared commercial kitchen and processing space for producers to utilize in processing and packaging their products. Potential locations for a food incubator include Eureka, where the longer growing season allows small farms to grow a wider variety of specialty crops, and Troy where there has been recent cultivation of small fruit tree orchards.

Workforce Development

Throughout the CEDS update process workforce development was highlighted as a significant issue facing Lincoln County. Specifically, in Lincoln County there is a lack of workers with the necessary skills to fill vacant jobs in the County. Not only does this contribute to higher rates of joblessness, but it also hampers the ability of existing businesses to grow and may prevent new businesses from locating in Lincoln County. To address this issue Lincoln County needs to take a two-prong approach. First the County needs to work with local partners on equipping its local workforce with the skills needed by local and regional employers. Secondly, Lincoln County also needs to attract skilled workers who can fill in-demand jobs in the County.

Economic Resiliency

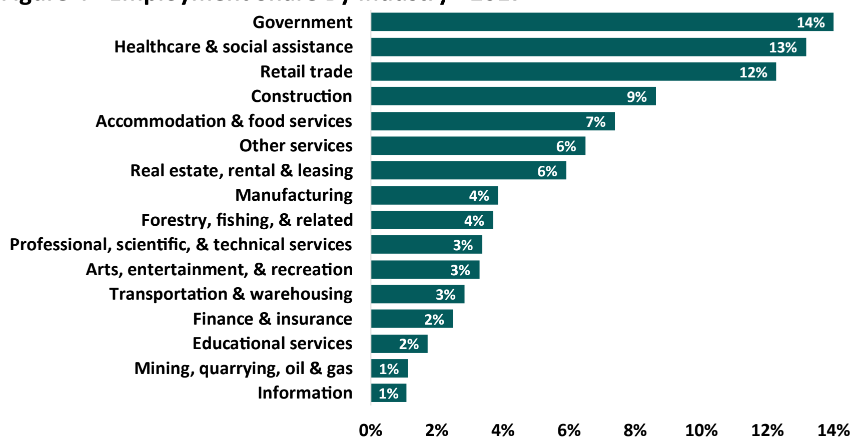
Lincoln County's economic decline over the last several decades can be in part attributed to an overreliance on a limited number of natural resource extraction industries – primarily mining and timber harvesting and processing. While natural resource extraction will always be a major component of Lincoln County's economy, a successful and resilient economy cannot be too heavily dependent on one or two industries if it intends to remain viable in the future. The uncertainty and fluctuation surrounding mining and timber production has forced Lincoln County to look to broaden its approach to economic development. In order to withstand and recover from economic disruptions, Lincoln County needs to foster growth in new and growing industries in an effort to develop a more resilient economy. On the ground this means working in close coordination with local and regional partners to identify what investments are needed to support industries poised for growth which can help diversity Lincoln County's economic base including manufacturing, light industry, tourism and recreation, and capitalizing on existing assets like the excellent broadband capacity in the northeastern part of the County. Building Lincoln County's economic resiliency is a focus of this CEDS update, with the action plan geared towards both broadening and focusing the County's economic development strategy.

Economy

Employment

As of 2017, total employment in Lincoln County was estimated at 8,749. The industries employing the greatest number of people in 2017 were government, healthcare, and retail – see Figure 4. However, the number of government jobs in the County recently declined with the EPA having completed cleanup of the Libby Asbestos Superfund Site.

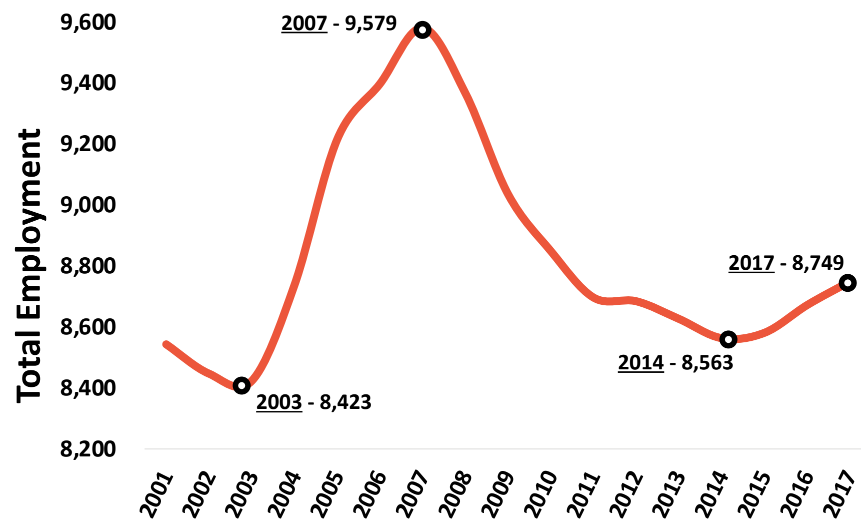
Figure 4 - Employment Share By Industry - 2017



Source: Bureau of Economic Analysis

Since the turn of the century, Lincoln County has experienced ups and downs in employment, brought on by the impacts of the national recession and fluctuations in local employment opportunities – see Figure 5. At its peak in 2007, total employment stood at 9,579. At its low in 2014, total employment was at 8,563, an 11% decrease.

Figure 5 - Change in Total Employment

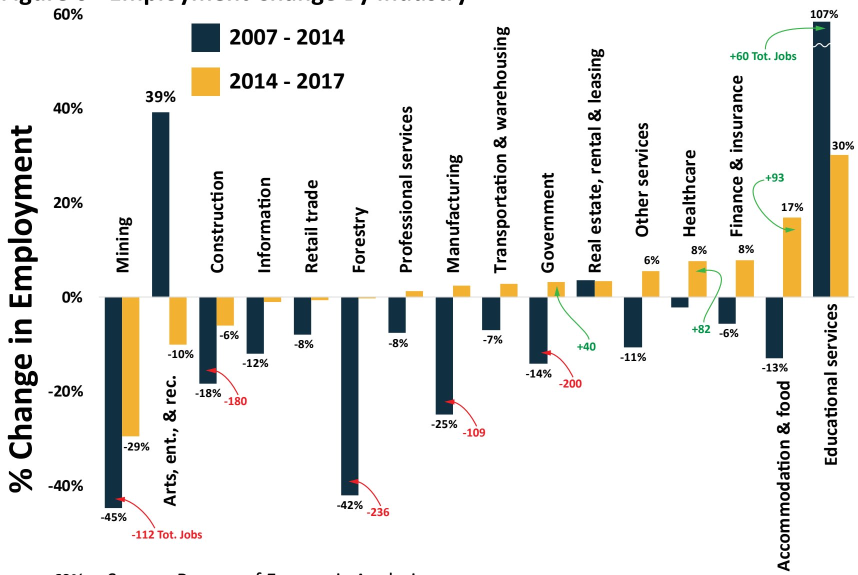


Source: Bureau of Economic Analysis

During this time period nearly every industry sector saw employment decreases, with the largest total decreases being in forestry, government, construction, and mining – see Figure 6. However, since 2014 Lincoln County has seen a slight uptick in total employment, with employment increases in 10 of 18 industry sectors analyzed. The largest employment increases were seen in accommodations and food services, health care and social assistance, and government. Despite this recent increase in employment, several industry sectors which have traditionally provided living wage jobs in the County have continued to see declines in employment, notably mining and construction.

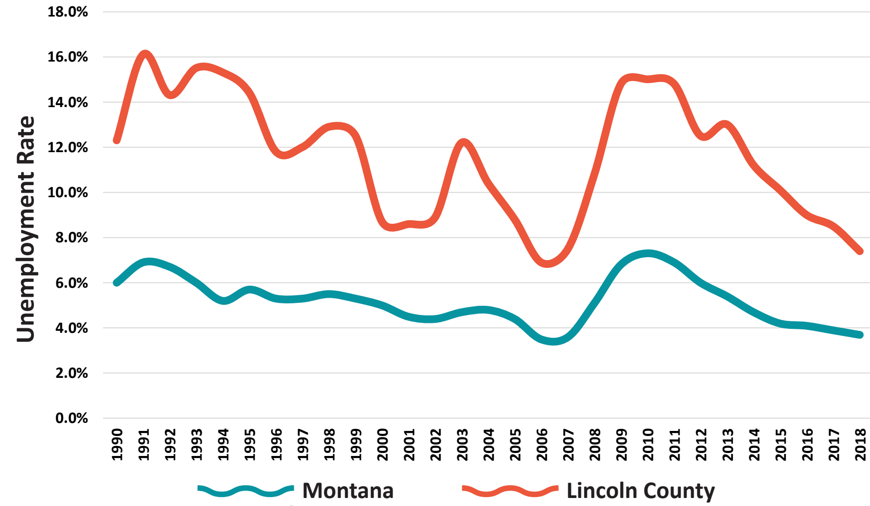
KEY INDICATORS

Figure 6 - Employment Change By Industry



Source: Bureau of Economic Analysis

Figure 7 - Unemployment Rate



Source: Montana Department of Labor and Industry

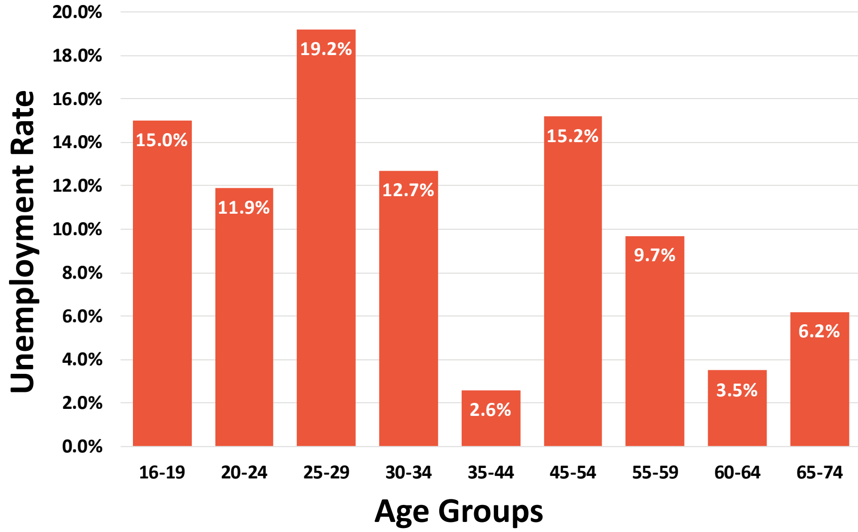
Unemployment

As Lincoln County's economy has ebbed and flowed over the years, the unemployment rate over the last roughly 30 years has been traditionally high relative to the rest of the state – see Figure 7. During the 2007 high in employment, Lincoln County still had the state's second highest unemployment rate at 7.5%, more than double the state's unemployment rate of 3.6%. During the recession years, the unemployment rate in Lincoln County climbed to 15% in 2010, again more than double the state's rate of 7.3%. While the unemployment rate in the County has dropped to 7.4% as of 2018, Lincoln County still lags behind the state, where the overall unemployment rate stood at 3.7% in 2018.

Unemployment in Lincoln County is not spread equally across age groups. Younger generations are experiencing higher levels of unemployment compared to older age groups – see Figure 8. While developing this document several theories emerged to explain this phenomenon: The lack of good entry level opportunities, prevalence of seasonal jobs, generational poverty/ low expectations, wanting to work outside of the formal economy, and the lack of a strong work ethic have all been suggested, but the true causes are unclear. What is clear is the lack of job opportunities for young adults makes it difficult for the County to retain younger generations and attract young families to Lincoln County. Additionally, the relatively high unemployment rate for the 45-54 age group is also notable as this age group is traditionally made up of people who are in the middle of their careers and who may not be able to easily transition to new career opportunities.

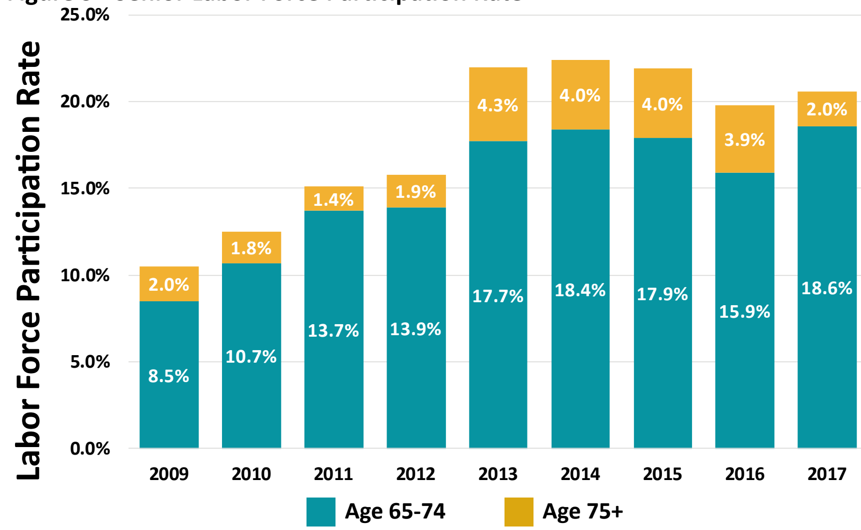
KEY INDICATORS

Figure 8 - Unemployment Rate By Age Group



Source: American Community Survey

Figure 9 - Senior Labor Force Participation Rate



Source: American Community Survey

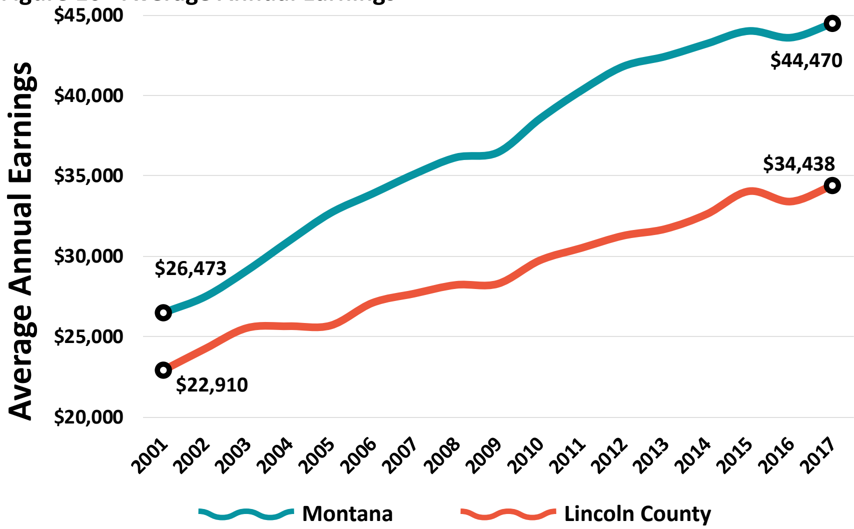
One reason for a lack of job opportunities for younger generations is the local and national trend of older workers staying in the labor force longer and retiring later. As Figure 9 shows, the labor force participation rate among workers over the age of 65 more than doubled between 2009 and 2017.

Earnings

As of 2017 average annual earnings in Lincoln County stood at $34,438 compared with $44,470 for the State of Montana. While earnings in Lincoln County have increased since 2001 at an average annual rate of 3%, that growth has not kept pace with the state as a whole where the average annual growth rate in earnings was 4% between 2001 and 2017 – see Figure 10.

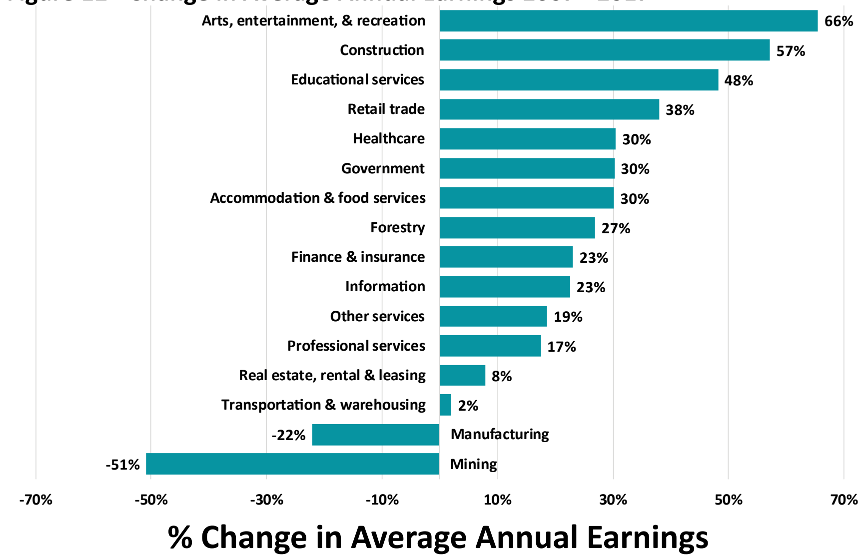
As is to be expected, earnings in Lincoln County vary by industry. As of 2017 average annual earnings were highest in the government, information services, transportation and warehousing, construction, and healthcare – see Figure 11. Over the previous decade the level of increase (or decrease) in average annual earnings has varied by industry, with the largest percentage increases experienced in arts, entertainment, and recreation; construction; and education – see Figure 12. Between 2007 and 2017, 14 of the 16 industry sectors analyzed saw increases in average annual earnings, while the mining and manufacturing industries saw decreases.

Figure 10 - Average Annual Earnings



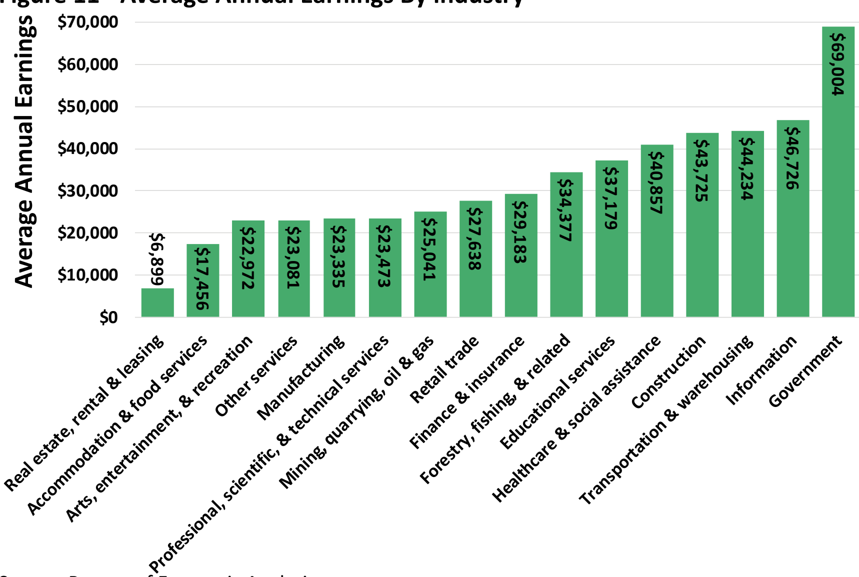
Source: Bureau of Economic Analysis

Figure 12 - Change in Average Annual Earnings 2007 - 2017



Source: Bureau of Economic Analysis

Figure 11 - Average Annual Earnings By Industry



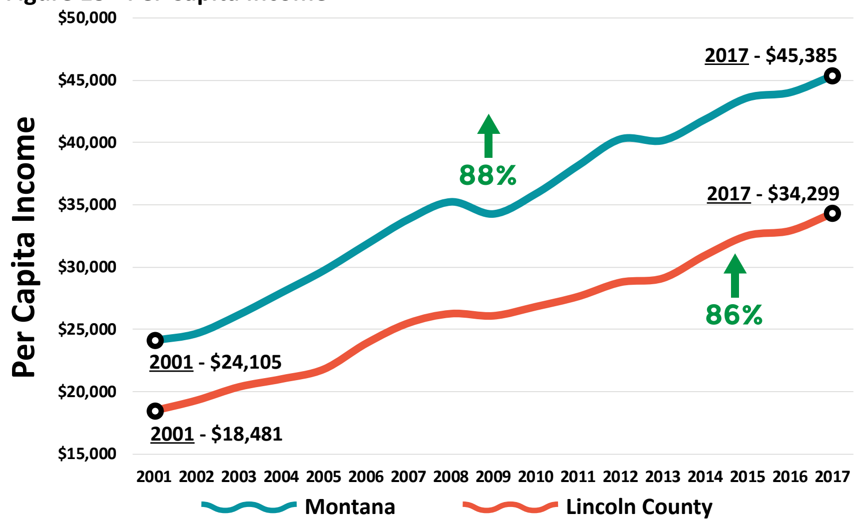
Source: Bureau of Economic Analysis

Income

As of 2017, per capita income in Lincoln County stood at $34,299 compared with $45,385 for the state. Unlike earnings, since 2001, increases in per capita income in Lincoln County have kept pace with the state as a whole, at an annual average growth rate of 5% - see Figure 13. As Figure 14 shows, the growth in per capita income is largely a result of increases in non-labor income as opposed to increases in labor earnings. In looking at the components of non-labor income, it becomes clear that the increase in non-labor income is being driven by increases transfer payments, notably age-related transfer payments, which includes social security and Medicare – see Figure 15. The increases in age-related transfer payments make sense in light of increases in Lincoln County's senior population and are likely to continue to increase as the County continues to age.

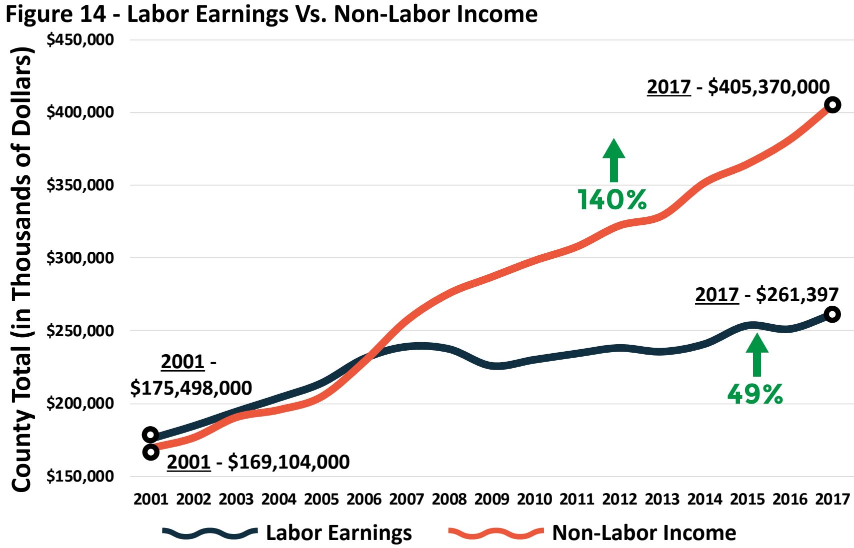
KEY INDICATORS

Figure 13 - Per Capita Income



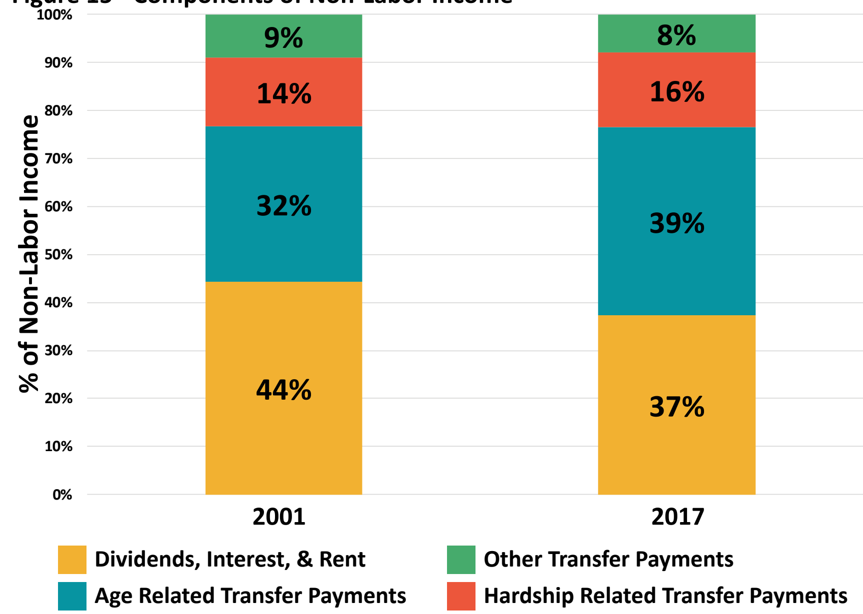
Source: Bureau of Economic Analysis

Figure 14 - Labor Earnings Vs. Non-Labor Income



Source: Bureau of Economic Analysis

Figure 15 - Components of Non-Labor Income



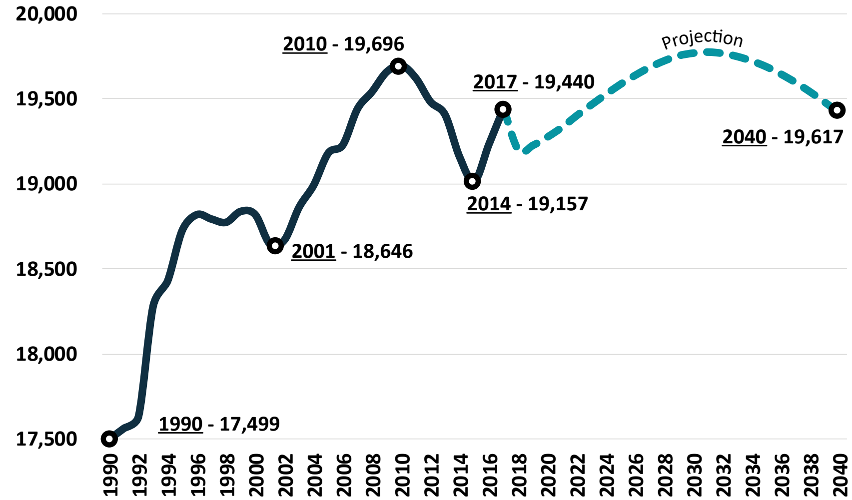
Source: Bureau of Economic Analysis

Population

Since 1990 Lincoln County's population has grown steadily, with minor fluctuations corresponding with changes in local and national economic conditions – see Figure 16. As of 2017 the population of Lincoln County was estimated at just under 19,500. Corresponding with the last national recession, Lincoln County's population has declined slightly from the 2010 high of 19,683 but has shown signs of growth in recent years. Going forward the County's population is projected to increase slightly over the next decade and then begin to level off by 2030.

KEY INDICATORS

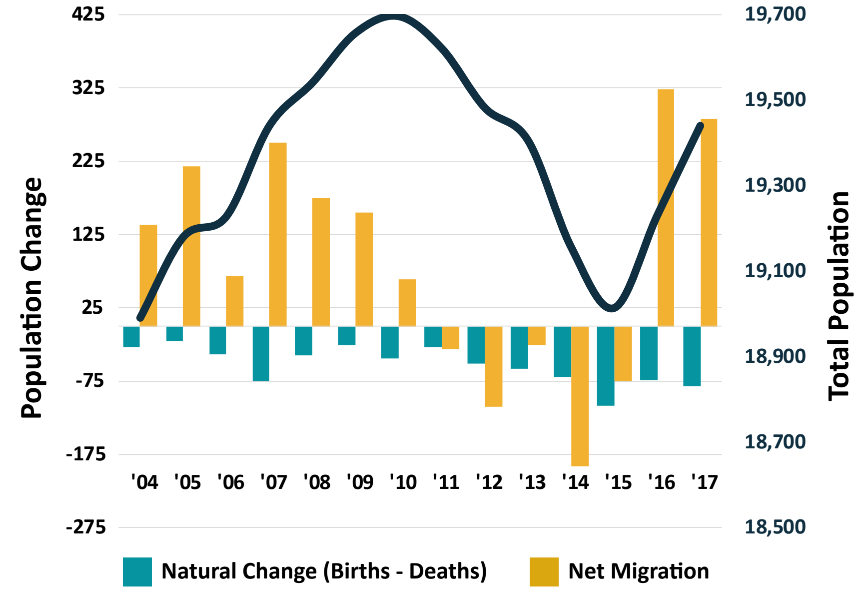
Figure 16 - Population Change 1990 - 2040



Source: U.S. Census & Montana Census and Economic Information Center

Over the last 15 years, population growth in Lincoln County has been driven largely by migration as opposed to natural change (births - deaths). The most recent population increase has been fueled by recent spikes in net migration which have offset declines in natural change – see Figure 17. As noted in the age distribution section below, much of the recent in-migration has come from retirees moving to the County.

Figure 17 - Components of Population Change (births, deaths, migration)



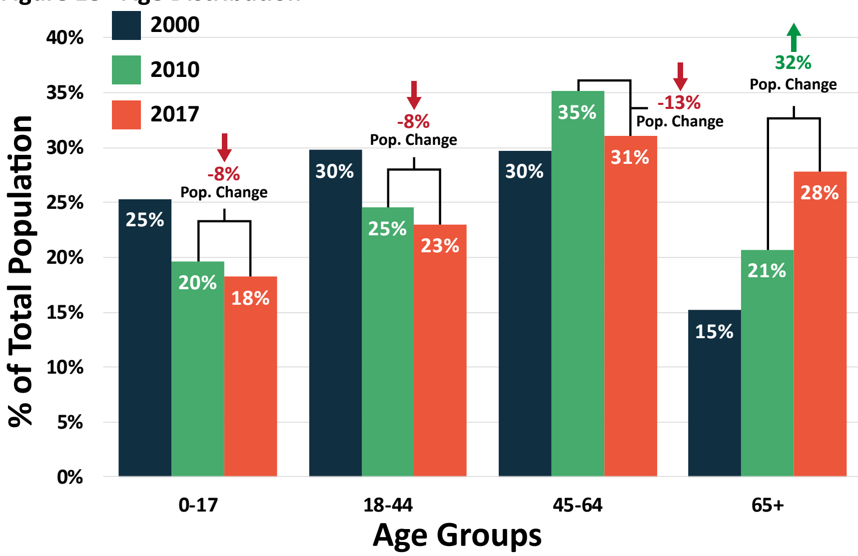
Source: American Community Survey & Montana Office of Vital Statistics

Age Distribution

As of 2017, the 45-64 age group made up the largest share of Lincoln County's population at 31%, followed by 65+ (28%), 18-44 (23%) and under 18 (18%). As shown in Figure 18, these figures are representative of an aging trend in Lincoln County, with the 65+ age group being the only age group to experience a population increase since 2010. During this same time period, the median age in Lincoln County increased from 48.4 to 52.1. Comparatively, the median age of Montana in 2010 was 39.7 and 39.8 in 2017. Taken together, these figures point to a population that is growing older with a decreasing share of school-aged children. This trend is notable because an aging population will likely have different needs in terms of housing, mobility, and healthcare.

KEY INDICATORS

Figure 18 - Age Distribution



Source: American Community Survey

Housing

As of 2017, there were an estimated 11,649 housing units in Lincoln County, an increase since 2010. The housing landscape in Lincoln County is dominated by single-family housing (77% of all housing units) followed by mobile homes (17%), and multi-family housing (6%) – see Table 1.

Table 1 - Housing Unit Indicators

	2010	2017
Housing Units	11,044	11,649
Single Family	76%	77%
Multi-Family	6%	6%
Mobile	18%	17%
Occupied Units	84%	71%
Owner Occupied	76%	79%
Renter Occupied	24%	21%
Vacant Units	16%	29%
Vacant - 2nd Homes	71%	62%
For Sale Vacancy Rate	2.6	3.7
Rental Vacancy Rate	8.7	15

Source: American Community Survey

Of all the occupied housing units in Lincoln County, 79% were owner occupied and 21% were renter-occupied, highlighting an increase in the share of owner-occupied housing since 2010. This trend is further highlighted by the fact that the rental vacancy rate between 2000 and 2014 increased from 8.7% to 15%, while the for-sale vacancy rate increased by just slightly from 2.6% to 3.7%.

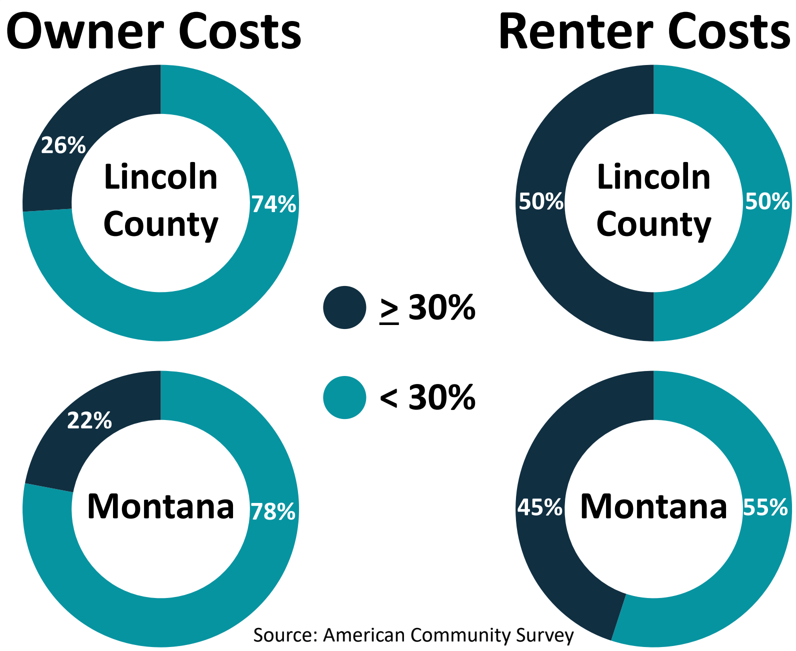
One notable trend is the increase in the share of vacant housing, which has increased from 16% of all housing units in 2010 to 29% in 2017. Interestingly, 62% of all vacant housing units in Lincoln County are for seasonal, recreational, or occasional use – a.k.a second homes. While the percent share of second homes decreased by nine percentage points between 2010 and 2017, the actual number of second homes increased by 66%.

Housing Costs

The median housing value as of 2017 in Lincoln County was $175,500 which is lower than the median housing value for Montana as a whole, which was $209,100 in 2017. In terms of rent, the median rent in Lincoln County in 2017 was $654, which represents a 35% increase since 2010.

In order to get a better understanding of housing affordability and housing cost burden in Lincoln County it is helpful to analyze housing costs as a percent of household income. The United States Department of Housing and Urban Development defines housing cost burden as paying more than 30% of household income on housing. In 2017 an estimated 50% of renters in Lincoln County had a housing cost burden, which is slightly lower than the state as a whole, but a 15-percentage point increase since 2010 - see Figure 19. The rental housing cost burden is especially pronounced in Eureka and Troy where, as of 2017, an estimated 73% and 81% of respective renters spent more than 30% of their income on rent. While the figure is slightly better for owner occupied housing, still 26% of homeowners in Lincoln County were estimated to have a housing cost burden in 2017 compared to 22% for the state as a whole.

Figure 19 - Homeowner Costs and Rent as a Percent of Income 2017



Source: American Community Survey

Household Composition

As of 2017 there were an estimated 8,244 households in Lincoln County, an 11% decrease from 2010 when there were 9,237 households. During this period, household composition shifted with the number of family households decreasing by 18% and non-family households increasing by 3%. At the same time the number of households with children under the age of 18 decreased by 29% and the number of households with an individual over the age of 65 increased by 22%.

Similar patterns have emerged during this period when looking at household size. Between 2010 and 2017 the share of one-and two-person households in Lincoln County increased by five and two percentage points, respectively, while the share of three and four or more person households decreased by six and two percentage points, respectively. Despite the shift to more one-and-two person households, the average household size in Lincoln County actually increased between 2010 and 2017 from 2.08 to 2.31. While these data may seem contradictory, the discrepancies are likely explained by the increase in average family size from 2.54 to 2.95 between 2010 and 2017.

KEY INDICATORS

Land Use

Lincoln County encompasses approximately 3,600 square miles and is largely characterized by mountainous, forested terrain and narrow river valleys. The exception to this is the northeastern portion of the County in the Tobacco Valley near Eureka which is characterized by larger expanses of open grasslands.

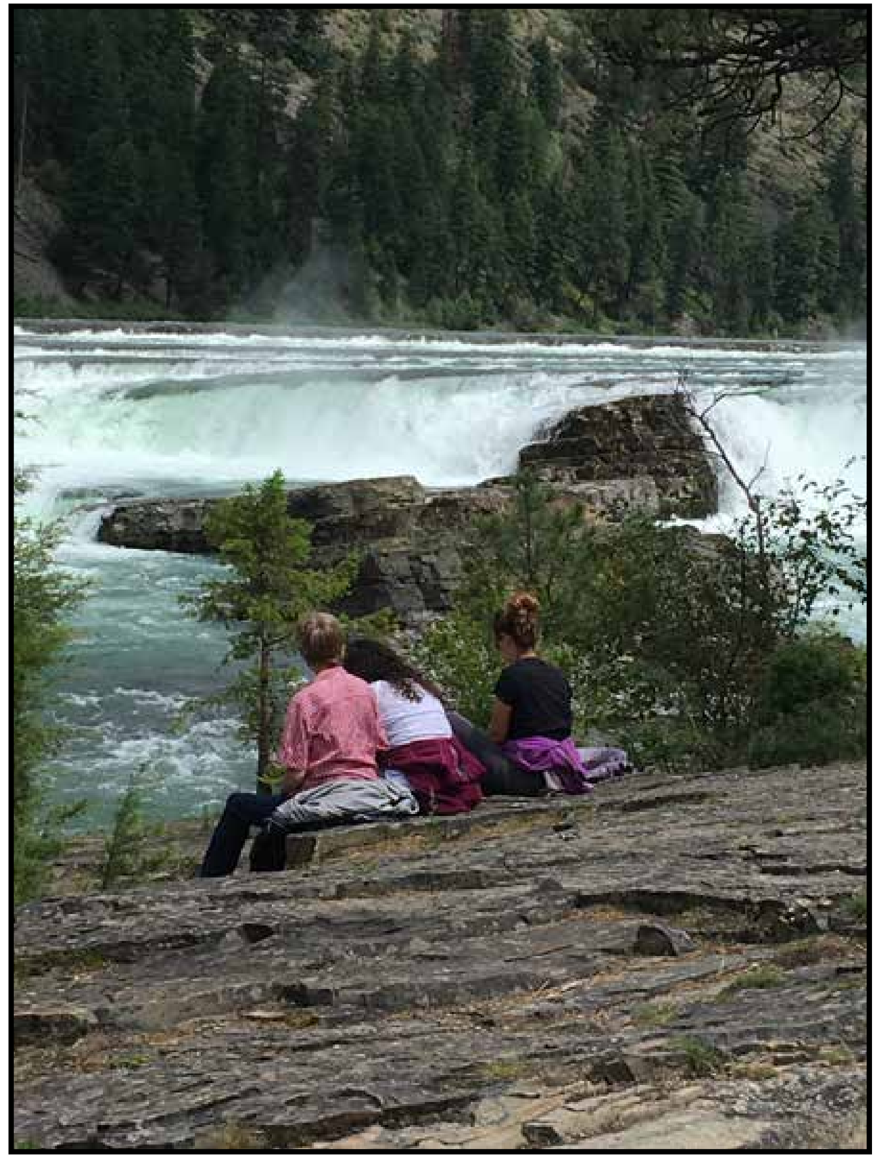
Land Ownership

Over 75% of land in Lincoln County is under public ownership, the majority of which is national forest land – see Table 2. Additionally, Stimson Lumber and Weyerhaeuser together account for 12% of all land in the County. Non-corporate private land accounts for just over 8% of land in Lincoln County, the majority of which is concentrated in the northeastern portion of the County – see Figure 20.

Table 2 - Land Ownership

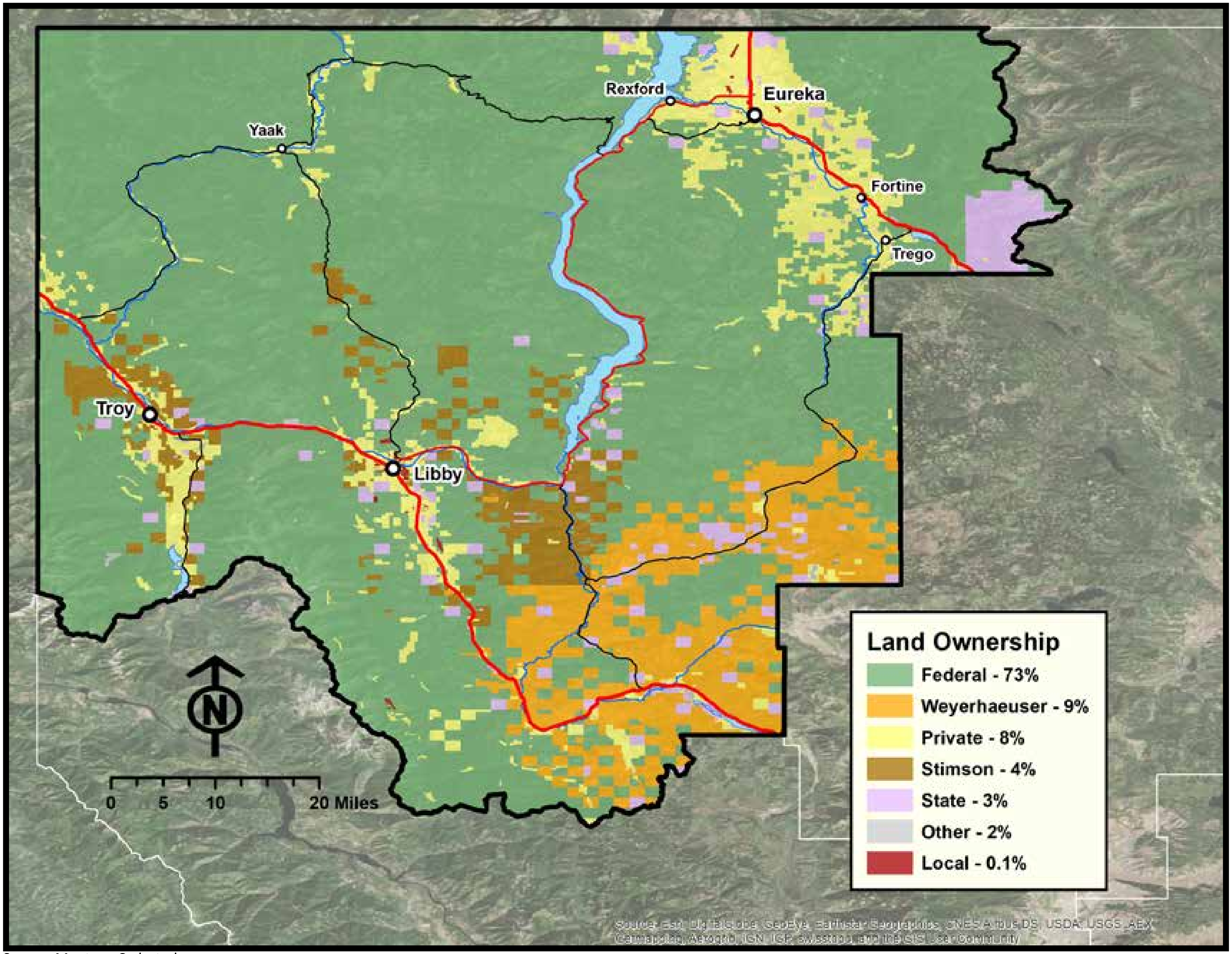
Owner	Acres	% of Total
Federal Govt.	1,726,100	73.4%
Weyerhaeuser	207,272	8.8%
Private	199,734	8.5%
Stimson Lumber	94,674	4.0%
State Govt.	75,115	3.2%
Unclassified	44,852	1.9%
Local Govt.	3,064	0.1%

Source: Montana Cadastral



KEY INDICATORS

Figure 20 - Map Land Ownership



Source: Montana Cadastral

PUBLIC INFRASTRUCTURE & SERVICES

Public Services

Law Enforcement

Lincoln County's Sheriff's Office provides services outside the city limits of Troy, Libby, and Eureka. Each of these communities have local police departments responsible for law enforcement protection within city limits. All departments work cooperatively in providing the County full protection. The Sheriff's Office consists of administrative staff, sworn deputy sheriffs, county detention and the county dispatch center. The Sheriff also oversees additional sworn reserve deputy sheriff volunteers and oversees the activities of two search and rescue organizations. In addition to deputies based out of Libby, there are resident deputies assigned to the Eureka and Troy areas. The Eureka deputies are headquartered in the North Lincoln County Law Enforcement Center, which is a new county facility also housing Eureka Area Dispatch, Eureka Police Department, and Montana Highway Patrol. The Troy deputy has an office within the Troy Police Department.

Fire and Emergency Services

Wildland fire protection is provided by the US Forest Service and Montana DNRC. Structural fire protection is a mixture of fire districts, fire service areas, and rural fire departments. These fire districts, service areas, and departments include:

- Libby Rural Fire Department
- Bull Lake Rural Fire District
- Eureka Fire Service Area
- Fisher River Valley Fire/Rescue
- McCormick Rural Fire District
- Trego, Fortine, Stryker Fire Service Area
- Troy Rural Fire District
- Yaak Fire Service Area
- West Kootenai Fire Protection Company

All fire districts in Lincoln County are part of a mutual aid agreement and will respond to calls for assistance from other districts. The State Fire Marshall office in Kalispell assists with commercial inspections, training, and inspections of suspicious fires.

PUBLIC INFRASTRUCTURE & SERVICES

The Lincoln County Emergency Management Agency (EMA) is the lead agency for disaster related services and coordination. EMA is responsible for coordinating mitigation, preparedness, response and recovery activities related to natural and man-made disasters in Lincoln County.

There are limited portions of the County that are without structure fire protection, primarily due to distance from a rural fire department. Major needs identified by rural departments include a shortage of volunteer members and/or aging members, funding to meet increased demands from growth which including operations, training, and equipment.

Healthcare

Despite being relatively sparsely populated, Lincoln County has a robust healthcare system comprised of a variety of providers. With Lincoln County's aging population, the demand for healthcare and medical services is likely to increase as will job opportunities in this field.

Southern Lincoln County is served by a variety of healthcare providers. The largest is Cabinet Peaks Medical Center in Libby, which is a 25-bed Critical Access Hospital offering a range of medical services including a birthing center, surgical services, chemotherapy, and emergency care. The Northwest Community Health Center provides medical and dental services for Lincoln County's lower income residents through community health centers in Libby and Troy, which operates on a sliding scale based on family income. The Center for Asbestos Related Diseases in Libby is a one of a kind facility treating individuals with asbestos related illnesses. The Libby Clinic is a physician-owned medical clinic providing prenatal care, adult medicine, and general medical services for the community. In 2010 the Libby Clinic became a Veterans Affairs clinic and currently serves veterans in the community. The Libby Care Center is a skilled nursing and rehabilitation center that serves the long-term care and post-hospital needs of the citizens of Libby and surrounding communities.

Northern Lincoln County is served by a primary care clinic and therapy center both of which are under the umbrella of the North Valley Hospital in Whitefish. The Eureka primary care clinic provides a variety of general healthcare services for men, women, and children. Next door to the primary care clinic is the Eureka Healthcare Specialty Services, a department of Kalispell Regional Medical Center, which hosts a variety of visiting specialists who see patients in Eureka for their health care needs.

Para-Transit

Lincoln County Transportation Service provides demand-response transit service for Lincoln County seniors and individuals with a disability. Drivers and vehicles are based in Troy, Libby, and Eureka to best meet the needs of Lincoln County residents. Lincoln County Transportation Service transports people for a variety of purposes including medical appointments, recreation, shopping and work.

PUBLIC INFRASTRUCTURE & SERVICES

Solid Waste

All waste in Lincoln County is taken to the County landfill outside of Libby. While the current cell has an estimated nine years remaining until it is at capacity, there is ample room at the landfill site to develop another cell. Transfer stations operate out of Troy, Eureka, and Happy's Inn. Several companies provide trash pickup service for most of Lincoln County. In addition, Lincoln County provides "green boxes" in numerous locations to make disposal of household garbage more convenient for residents. For recycling, Lincoln County has self-serve recycling trailers spread throughout the county and the landfill in Libby is near completion of being renovated as a recycling facility.

Power

Electric service in Eureka and northern Lincoln County is provided by Lincoln Electric Co-op. Flathead Electric Co-op provides electrical service in the City of Libby and in the surrounding area. The City of Libby recently installed a small water turbine power generator along Cedar Street and is selling power back to Flathead Electric. It provides enough to support 5-9 homes. The Yaak area and the area around Bull Lake are provided electric service by Northern Lights, also a cooperative. The Town of Troy has its own electrical distribution system. All electrical utilities are dependent on the Bonneville Power Administration for their wholesale electric needs. Commercial facilities and residents use a variety of fuels for their heating needs. Electricity, propane, wood and fuel oil are used throughout the area for heating. There is no natural gas available .

Telecommunications

Insufficient broadband internet connectivity is a concern in parts of Lincoln County – particularly in Troy and unincorporated areas in the south end of the County, although InterBel is making progress in some areas. South Lincoln County is served by two internet service providers – Montana Sky and Frontier Communications. At the time of writing Frontier Communications was in the process of being sold to two investment firms, as such the longevity of Frontier as a provider is not certain yet the infrastructure will remain in place. Frontier maintains the only fiber optic line going into Troy from the Idaho side. Fiber that comes into Libby from the east is maintained by

Montana Sky, though they also use wireless transmission to extend their service into Troy. Montana Sky has made recent equipment upgrades in both Libby and Troy to allow faster upload and download speeds. The upgrade in Libby has nearly doubled internet speeds. Northern Lincoln County is served by Interbel Telephone Cooperative, which has good capacity. Some rural and remote areas of the County rely on satellite internet, which tends to have low data limits and operates at slower speeds.

Internet Concerns in Troy

As mentioned above, internet connectivity is a pronounced issue in the Troy area where internet speeds and access are much lower than the rest of the County. A number of infrastructure investments are needed to increase internet speeds and access in Troy. There is infrastructure in place, it just needs to be activated or upgraded. The problem is that due to Troy's small population it is difficult for the community to demonstrate high enough return on investment for providers to upgrade outdated or degraded infrastructure.

To address this issue, Troy has been working with consultants to layout a road map for getting better internet connectivity in the community. This work identified last mile and middle mile connections has the primary issues affecting internet speeds and access in Troy. Middle mile connections refer to connections between the backbone internet network and the local network while last mile connections refer to connecting the end customer's home or business to the local network provider. The roadmap lays out a path for Troy to address this important issue, starting with the development of a broadband task force. Looking ahead, the roadmap calls for developing a broadband strategic plan to more clearly identify demands, specific needs, and funding opportunities.

Public Infrastructure

Roads

Lincoln County's road network is made up of county roads, city streets (Troy, Libby, Eureka), state highways, and Forest Service roads. The main highway corridors through the County are U.S. Highway 2 (connecting Libby and Troy with Kalispell and Idaho), U.S. Highway 93 (connecting Eureka with Canada and Whitefish), and Highway 37 (connecting Libby and Eureka).

Lincoln County is broken up into three road districts – District #1

PUBLIC INFRASTRUCTURE & SERVICES

Libby, District #2 Troy and District #3 Eureka. The Libby District maintains approximately 180 miles of County roads, 25 miles of gravel Forest Service roads, and 19 bridges. The Troy District maintains approximately 130 miles of paved County roads, 11 miles of gravel roads and 12 bridges. The Eureka District maintains approximately 300 miles of chip-sealed roads and 10 miles of gravel roads. The roads districts plow roads during winter months and repair and repave roads in the summer. In addition to their ongoing road maintenance, the districts are also responsible for street sweeping, clearing ditches and culverts, repairing culverts, placing and maintaining road signs, and maintaining bridges.

Most Lincoln County roads are old and built to standards that are not current. Lincoln County does not build roads, only maintains them. Subdivision roads are generally the responsibility of the homeowner's associations – the County has not taken on a new road since 1993. Lincoln County's goal is to surface coat each road every five years and to continue to fix problem areas and raise road standards. At this time, snow plowing creates a significant funding problem in all road districts. Additionally, traffic related to new subdivision growth in the Tobacco valley is a major budgeting issue facing the Eureka Districts.

In addition to state, county and city roads, there are also thousands of miles of Forest Service roads in Lincoln County. These roads are essential for managing the forest for fire protection, timber harvest, access to mines, and recreation. Currently many roads are closed seasonally or permanently for motorized access.

Lincoln County's relatively small population size means that congestion is rarely an issue. However, there are times when congestion at the Canadian border north of Eureka can result in long backups and safety issues on Highway 93. This can make it difficult for Lincoln County residents to access their homes when they have to deal with border traffic.

Rail

Both passenger and freight rail service are available in south Lincoln County. Amtrak's Empire Builder passenger train departs daily from the unstaffed Libby station traveling east to Chicago in the morning and the west to Seattle and Portland in the evening. The Burlington Northern Sante Fe (BNSF) line in south Lincoln County provides an important freight rail connection for the County. The rail spur at the Kootenai Business Park provides access to the BNSF mainline, opening up opportunities for manufacturing and industrial development. Additionally, the Mission Mountain Rail line into Eureka provides an opportunity for loading and unloading at the Gwynn Mill and other sites.

Air

Lincoln County has airports in Troy, Eureka and Libby. The Troy airport is owned by the Forest Service. Some maintenance is shared with the Lincoln County Airport Board. It has a chip sealed runway of 3,570 feet. Currently there are no hangars on the field for occupancy, though tie downs are available. Libby Airport is south of Libby on the Farm to Market Road, with a 5,000-foot long runway.

PUBLIC INFRASTRUCTURE & SERVICES

Numerous FAA grants have been secured to upgrade the airport over the years. It has a paved taxiway as well as a paved apron and lighted beacon segmented circle with wind cone. Tie downs are available but not public hangars. Aviation gas and jet fuel are available on the field. Eureka has an airport, owned by the county, which has a 4,200-foot runway and a lighted beacon segmented circle with wind cone and several other recent upgrades. Aviation gas and jet fuel are available on the field. All of Lincoln County's airports are very busy during the fire season.

Water

The incorporated communities of Troy, Libby, Eureka, and Rexford are all served by community water systems, with Eureka making significant recent improvements. Outside of these communities, residents largely rely on individual wells for their water supplies. Several community water systems have been developed to address water issues where development has taken place. There are approximately 88 public waters systems in Lincoln County which include cities, businesses, churches, and mobile home parks. For residents not supplied with water from a community water system, most rely on individual wells. As of winter 2019 there were 7,263 wells in Lincoln County. Of these 7,263 wells 84% are used for domestic purposes. One big water issue facing county residents is the City of Libby's aging water distribution system which is in need of replacement as there are currently extensive leaks throughout the system. Repairing and updating the water system has been estimated to cost approximately $1.5 million.

Wastewater Treatment

Wastewater treatment systems in Lincoln County are primarily individual septic drain field systems. The incorporated communities of Troy, Libby, Eureka, and Rexford all have public wastewater systems. Outside of incorporated communities, the Kootenai Business Park has a wastewater distributions system with aerated lagoons.

Parks

Lincoln County maintains roughly 500 acres of County parks. J. Neils Park north of Libby and Kootenai Falls Park on the Kootenai River, account for almost half of the total park acreage. The remaining parks are divided among neighborhood parks and scattered undeveloped parcels dedicated as part of subdivision process. The County Fairgrounds and Rodeo Area host several events and provide an opportunity for economic development.

SWOT ANALYSIS

Overview

The foundation of any Comprehensive Economic Development Strategy (CEDS) is an honest and frank look at where a county's strengths, weaknesses, opportunities, and threats (SWOT) lie. A SWOT analysis helps identify competitive advantages (strengths) in contrast to the internal and external factors that can keep Lincoln County from realizing its potential (weaknesses and threats). This provides a basis for identifying opportunities for shoring up Lincoln County's weaknesses and generating growth in line with the County's strengths. At the same time, the SWOT analysis helps in identifying factors that have the potential to disrupt local and regional economies.

The SWOT analysis is an instrumental tool in giving Lincoln County a comprehensive understanding of the County's capabilities and capacity. Identifying what assets Lincoln already possesses that could be leveraged to build the capacity for growth is a necessary step in developing a strategic action and implementation plan. Leveraging assets refers to using the infrastructure, activities, human capital, engagement of business, government leaders and other stakeholders to maximize the economic potential of Lincoln County.

Lincoln County SWOT Analysis

Early in the CEDS update process the CEDS update steering committee was convened to conduct a SWOT analysis. As part of the SWOT analysis, the CEDS steering committee engaged in a facilitated discussion to brainstorm Lincoln County's strengths, weaknesses, opportunities and threats. At the end of that discussion the committee went through an exercise to prioritize the identified strengths, weaknesses, opportunities, and threats.

SWOT Analysis Results

The results from the SWOT analysis and prioritization are presented below, with each strength, weakness, opportunity, and threat listed in order of priority ranking by the CEDS steering committee.

<u>Strengths</u>

1. **Quality of Life** – Lincoln has a range of quality of life amenities enjoyed by residents which also serve as an attraction for visitors and new residents. These attractions include access to public lands, abundant outdoor recreation opportunities, rural lifestyle, good schools, popular community events and healthcare facilities.
2. **Natural Resources** – Lincoln County has abundant natural resources which provide economic benefit and opportunity for residents and business. Resources include abundant timber stands, rich mineral deposits, a variety of recreation opportunities, and water resources.

SWOT ANALYSIS

3. **Rail Access** – Lincoln County benefits from having passenger and freight rail access with regional and national connections. Passenger rail is provided through Amtrak via the Empire Builder Line which provides daily service west to Seattle and Portland and east to Chicago. The recent completion of the rail spur at the Lincoln County Port Authority's Kootenai Business Park provides freight rail access to the Burlington Northern Santa Fe mainline. Rail access in Eureka also provides opportunities to ship wood and other products.

4. **High School Special Programs** – Libby High School provides a range of opportunities for students to seek out opportunities outside of their standard coursework. The internship program gives students the opportunity to get applied education and experience working with local businesses in the trades and professional industries. The running start program provides eligible high school juniors and seniors the opportunity to get an affordable start on their education by earning college credits while still in high school at the Lincoln County Campus of Flathead Valley Community College in Libby.

5. **Port of Entry** – Northern Lincoln County benefits from its border with Canada and the port-of-entry 13 miles north of Eureka. This border crossing brings in investment from Canadian tourists and second homeowners.

Other Identified Strengths

- Stakeholder Collaboration
- Few Regulations
- Medical Resources in Libby
- Flathead Valley Community College Lincoln County Campus in Libby
- High Speed Internet in Libby and Eureka
- Low Cost of living

SWOT ANALYSIS

Weaknesses

1. **Poverty** – With high unemployment comes high rates of poverty and the associated negative social outcomes.

2. **Lack of Affordable Housing for Lower Income and Workforce Populations** – Throughout Lincoln County there is a limited supply of available, affordable, quality housing for low income residents as well as middle income workers. The problem is most pronounced in the rental market in the communities of Troy, Libby, and Eureka.

3. **Isolation** – While Lincoln County's geographic isolation contributes to its treasured rural lifestyle, it also serves to limit its access to markets and a qualified labor force.

4. **Drugs** – Like many areas throughout the nation, Lincoln County has seen an increase in drug use, particularly meth and opiates.

5. **Lack of High-Speed Internet in Troy and outlying areas** – With the exception of Libby and the Eureka area, internet speeds in Lincoln County are slow compared to the rest of the state and nation. This issue is especially pronounced in Troy and the surrounding areas. This limits Lincoln County's ability to attract businesses and remote-work professionals who rely on high internet speeds. In some areas, like the Yaak, residents must rely on satellite internet, which has slow speeds and low data limits.

Other Identified Weaknesses

- Lack of Skilled Tradespeople
- Lack of Coordinated Efforts Countywide
- Low Wages
- Asbestos History
- Limited Labor Force
- Lack of Private Land
- High Prevalence of Seasonal Jobs
- Lack of Higher End and Senior Housing
- Lack of Commercial Property

Opportunities

1. **Leverage Quality of Life Amenities** – There is great potential to capitalize on Lincoln County's access to public lands, abundant outdoor recreation opportunities, and rural lifestyle in an effort to attract new residents and businesses looking to move to a smaller community in Montana or the west.

2. **Hecla Mines** – Hecla's proposed Montanore and Rock Creek mines in nearby Sanders County present an opportunity to bring good paying jobs to Lincoln County residents. If they make it through ongoing permitting and litigation these mines would substantially increase employment in mining in Lincoln County.

3. **Promotion and Marketing** – Lincoln County has undergone several branding efforts in recent years. There is opportunity to utilize these branding efforts to promote Lincoln County's unparalleled access to public lands, abundant outdoor recreation opportunities, and quaint small towns. An effective and coordinated promotion and marketing campaign will help put Lincoln County on the map for people seeking a small town amid vast public lands.

4. **Broadband Study** – With the aforementioned internet speeds being a weakness for south Lincoln County, a broadband study would help in identifying where there is the greatest need to increase internet speeds and what opportunities exist for developing additional broadband infrastructure.

5. **Value Added Wood Products** – While timber harvests are down and the County has seen its large lumber mills close or be destroyed, there is still opportunity to attract smaller scale manufacturers focused on value added wood products. Examples could include post and pole operations, particle board manufacturers, or cabinet makers or more advanced products that rely on newer technologies.

Other Identified Opportunities

- Cross-community Coordination
- Alternative Housing
- Grants

Threats

Negative Press – The asbestos contamination issue in Libby has long served to taint the outside world's impression of Libby. While the EPA has recently finished cleaning up asbestos contamination in Lincoln County, for many people around the region it is still the first thing they think of when they hear "Libby." This image of Libby has made it difficult to attract new residents and businesses to Lincoln County. However, in the last few years this image of Libby has been changing. Additionally, Lincoln County has recently been in the press regarding the ongoing permitting and litigation related to the Montanore and Rock Creek Mines.

Lack of Year-Round Jobs – There is a high prevalence of seasonal summer work in Lincoln County. While it is great to have these jobs, the lack of off-season work makes it extremely difficult for residents to make ends meet year-round. Furthermore, many of these jobs are filled by non-residents who only live in Lincoln County during summer months.

Uncertainty of Public Lands Policies – While Lincoln County's high percentage of publicly owned land is a blessing in one sense, it also presents unique challenges as the County can at times be at the whim of federal and state policy decisions made in Washington D.C. and Helena. These policies can serve to limit the ability to harvest timber on federal lands, limit access, and make developing recreational amenities a challenge.

American and Canadian Economic Trends – Like most rural areas, downturns in the national economy can have pronounced and long-lasting impacts on Lincoln County's economy. Additionally, the economic health of northern Lincoln County is in part tied to Canadian consumer trends. A downturn in the Canadian economy could result in fewer Canadians visiting and spending money in Eureka and the Tobacco Valley.

Canadian-American Exchange Rate – The exchange rate between the American and Canadian dollar directly impacts visitation from Canadians and the amount they spend in Lincoln County. An unfavorable exchange rate for Canadians could result in fewer Canadian dollars being spent in Lincoln County, particularly in the north.

Other Identified Threats

- Multi-Generational Poverty
- Healthcare Costs
- Wildland Fire
- Disruption to Healthcare Industry
- Over Reliance on Social Assistance

ACTION PLAN

Lincoln County's CEDS is a strategic document with a focus on ambitious, yet achievable action strategies that can be implemented over time to improve economic conditions in the County, build local capacity, and improve the quality of life for residents. The action plan serves as the heart of this document and provides detailed guidance for putting the CEDS into action. The goals and actions strategies presented below provide the County and its partners with a framework for how to move forward. Each action strategy includes partnering organizations and a priority ranking. Below is a more thorough description of the additional rows under each action.

Partners

Recognizing that implementation of the actions presented below will require working with other agencies and organizations, the partners listed under each action identifies the parties likely to play key roles in implementation of each action. It is anticipated that as implementation of each action begins additional partners will be identified and added.

Priority Rankings

The priority row under each action is intended to be used as a tool for prioritizing the allocation of limited resources. The priority rankings reflect where the County and its partners should be investing time and resources. As resources are limited, implementation of each action will be incumbent upon availability of staff and funding.

Priority rankings are organized as follows:

- High Priority
- Medium priority
- Low priority – still important but implementation will be contingent upon available resources.

The priority rankings serve to identify where to b egin in implementing the CEDS.

Goals and Actions

Goal 1: Increase Opportunities for New Businesses and Entrepreneurs to Locate in Lincoln County.

A central component of Lincoln County's CEDS is creating an environment where new businesses can develop and thrive. The State of Montana has more entrepreneurs per capita than any other state in the nation. While new Montana firms tend to be smaller and grow less quickly comparatively, this fact still highlights the unique quality of many Montanans to take the risk to turn their idea or product into a profit-making venture. Lincoln County's general approach to fostering entrepreneurship is working to build the capacity of existing residents seeking to open a business and creating an environment that attracts new resident business owners who are looking to live in a place that has the relaxed lifestyle that Lincoln County provides. This general approach involves providing potential entrepreneurs with the tools and resources they need to get off the ground, scale appropriately, and avoid common pitfalls. It also involves ensuring that Lincoln County has the building blocks necessary to compete in today's marketplace – notably fast and reliable internet.

Action 1.1:

Conduct a county-wide broadband study to identify 1. residential and commercial internet needs, 2. which areas of the County are underserved, and 3. the feasibility of increasing capacity, expanding infrastructure, and improving internet speeds.

Partners: Kootenai River Development Council, Tobacco Valley Industrial District, Internet service providers, City of Troy.

Priority: High

Action 1.2:

Work with internet service providers on increasing capacity, expanding infrastructure, and improving internet speeds in underserved areas of Lincoln County.

Partners: Kootenai River Development Council, Internet service providers, City of Troy.

Priority: High

Action 1.3:

Support the Troy community on implementing their internet connectivity roadmap as a means of improving internet speeds and access in the community.

Partners: City of Troy, Internet service providers.

Priority: High

Action 1.4:

Work with local economic development organizations and Flathead Valley Community College on offering business start-up classes, including developing a business plan and accessing capital.

Partners: Flathead Valley Community College, Kootenai River Development Council, Job Service Libby and other local partners.

Priority: High

Action 1.5:

Explore the creation of a foreign trade zone in north Lincoln County.

Partners: Town of Eureka, Tobacco Valley Industrial District and private businesses.

Priority: Low

Action 1.6:

Market Lincoln County throughout Montana and in key out of state markets as a destination with small town charm, ample business opportunities, and unparalleled recreation opportunities.

Partners: Kootenai River Development Council; Libby and Eureka Chambers of Commerce; Tobacco Valley Industrial District, Cities of Troy, Libby, and Eureka.

Priority: High

Goal 2: Improve Opportunities for the Development of Industrial and Manufacturing Businesses in Lincoln County.

In order for manufacturing and industrial businesses to develop, grow, and prosper in Lincoln County there needs to be the infrastructure and institutional support in place to foster that growth. This is true for both large scale manufacturers as well as smaller niche manufacturers. Currently, there are several infrastructure deficiencies throughout Lincoln County that prevent growth for existing and new businesses. In addition to infrastructure development, Lincoln County and its partners need to be proactive in strategically marketing a nd incentivizing development of manufacturing and industrial businesses.

Action 2.1:

Make infrastructure upgrades needed to attract and enable industrial and manufacturing development at the Kootenai Business Park and Tobacco Valley Industrial District.

Partners: Lincoln County Port Authority, Kootenai River Development Council, Tobacco Valley Industrial District, City of Libby.

Priority: High

Action 2.2:

Implemement strategic marketing plans for the Kootenai Business Park and Tobacco Valley Industrial District targeted to businesses and industries compatible with each site.

Partners: Kootenai River Development Coouncil, Lincoln County Port Authority, Tobacco Valley Industrial District.

Priority: Medium

Action 2.3:

Provide targeted incentives for businesses considering locating or expanding in Lincoln County.

Partners: Kootenai River Development Council, Tobacco Valley Industrial District, local business owners.

Priority: Medium

Action 2.4:

Provide targeted incentives for businesses considering locating or expanding in Lincoln County.

Partners: Kootenai River Development Council, TVID, municipalities, local business owners

Priority: High

Action 2.5:

Identify locations and pursue funding for food incubator space (small scale commercial food processing). One potential location in north Lincoln County is at the County Fairgrounds.

Partners: City of Troy, Town of Eureka, Lincoln County Fairgrounds, chambers of commerce , Lincoln County Fair Board and Foundation, and local farmers markets.

Priority: Medium

Goal 3: Reinvigorate Lincoln County's Natural Resource Based Economies

While Lincoln County's natural resource-based economies have been on the decline for some time, that does not mean they are unimportant to the economic vitality of the County. With Lincoln County's vast supply of timber and mineral resources, mining, timber harvesting, and processing will always be a component of the County's economy.

As such, Lincoln County needs to continue to support the responsible extraction of these resources. However, the key for Lincoln County is to not become overly reliant on these natural resource based industries as fluctuating demand, policy changes, and other external forces can bring about abrupt changes in the sustained local viability of these industries.

Action 3.1:

Develop stewardship agreements to enable greater local input on the management of federal forest lands.

Partners: Lincoln County, Kootenai National Forest, DNRC, Kootenai Forest Stakeholders Coalition.

Priority: High

Action 3.2:

Participate in the identification of Good Neighbor Authority projects to increase the pace and scale of forest projects, including small timber sales; and enable cooperative forest management between Lincoln County and the Kootenai National Forest.

Partners: Lincoln County, Kootenai National Forest, DNRC, Kootenai Forest Stakeholders Coalition.

Priority: High

Action 3.3:

Support efforts to develop a local wood processing mill in Lincoln County.

Partners: Lincoln County, Kootenai Forest Stakeholders, private timber and processing companies.

Priority: Medium

Action 3.4:

Continue to support Hecla Mining Company's effort to bring the Montanore and Rock Creek mines into operation.

Partners: Hecla Mining Company, Chambers of Commerce, Lincoln County.

Priority: Low

Action 3.5:

Engage Hecla Mining Company on what processing capabilities will be needed for the Montanore and Rock Creek mines and whether there are opportunities for locating processing facilities in Lincoln County, in the event either mine becomes operational.

Partners: Hecla Mining Company.

Priority: Low

Goal 4: Ensure Lincoln County's Labor Force has the Skills Necessary to Succeed.

Paramount to a robust local economy is building the capacity of the local labor force to ensure they possess the knowledge and skills needed in today's job market and so business have a qualified local labor pool to draw from. With technological advances changing the way business is done local and globally, job opportunities have become at one point more prevalent and also more out of reach for people without the necessary skills demanded. At the same time there is also greater need for skilled trades people as the number of people entering the trades has decreased steadily and the number of trades people entering or nearing retirement is increasing. This last point has been echoed throughout Lincoln County where the lack of skilled tradespeople has been cited as a barrier for local businesses.

Action 4.1:

Convene an annual or biennial meeting where representatives from local business, local government, economic development, workforce development, and education come together to discuss the needs and opportunities relating to preparing Lincoln County's labor force for success.

Partners: Kootenai River Development Council; Tobacco Valley Industrial District; Job Service Libby; local business owners; Flathead Valley Community College; local high schools; Cities of Troy, Libby, and Eureka.

Priority: High

Action 4.2:

Based on the outcomes of the labor force meeting, work with local education providers, economic development organizations, and employers on providing classes, opportunities, apprenticeship programs and resources to prepare (or retrain Lincoln County's labor force for in-demand local job opportunities.

Partners: Kootenai River Development Council; Tobacco Valley Industrial District; Job Service Libby; local business owners; Flathead Valley Community College; local high schools; Cities of Troy, Libby, and Eureka.

Priority: High

Action 4.3:

Work with local schools on developing or strengthening mentorship programs that pair high school age students with professionals in fields of their interest.

Partners: Kootenai River Development Council, Tobacco Valley Industrial District, Job Service Libby, local business owners, local high schools, Flathead Valley Community College and the Montana Department of Labor and Industry.

Priority: Medium

Action 4.4:

Work with local schools and workforce development organizations on getting interested students placed in apprenticeship programs for the trades.

Partners: Kootenai River Development Council, Tobacco Valley Industrial District, Job Service Libby, local business owners, local high schools, FVCC and DLI.

Priority: Low

Goal 5: Improve Access to Recreational Amenities for the Enjoyment of Residents and Visitors.

Recreation amenities are no longer simply feel good elements that support tourism and provide a quality of life amenity for residents. The high value recreation assets Lincoln County has are a tool that can be used as a serious driver of economic development. While many business will always choose to locate in larger regional cities such as Spokane, Seattle, and Boise, there is a growing number of small business owners who are choosing to eschew the city life and locate in a place where they and their employees can enjoy a high quality of life. Recreation amenities are a key factor in driving this migration. There are a number of factors that have led to smaller isolated cities becoming an alternative to larger cities, including advancements in telecommunications, the increase in knowledge-based industries, and advancements in transportation and logistics. Lincoln County is well poised to capitalize on this trend by building upon its base of recreation amenities to attract the people who are choosing where they want to live based in part on the prevalence of opportunities to hike, bike, hunt, fish, and ski out their back door.

Action 5.1:

Participate in implementation of the the Greater Libby Area Trails Plan and other planning efforts.

Partners: Kootenai River Development Council, Kootenai National Forest, Department of Natural Resources and Conservation, Kootenai Forest Stakeholders Coalition, Libby Outdoor Recreation Association, Kootenai XC Ski Club, Libby Park Board, Kootenai Mountain Riders.

Priority: Medium

Action 5.2:

Participate in development of a network of non-motorized, motorized, and multi-use trails on public lands in close proximity to established communities.

Partners: Kootenai River Development Council, Kootenai National Forest, Department of Natural Resources and Conservation, Kootenai Forest Stakeholders Coalition, Libby Outdoor Recreation Association, Kootenai XC Ski Club, Libby Park Board, Kootenai Mountain Riders.

Priority: High

Action 5.3:

Provide for safe non-motorized connections to trails on public lands – e.g. sidewalks, off-street paths, protected bike lanes, etc.

Partners: Kootenai River Development Council, Montana Department of Transportation, Libby Outdoor Recreation Association, Libby Park Board.

Priority: Medium

Action 5.4:

Work with local ski clubs on maintaining and expanding the network of cross-country ski trails in Lincoln County.

Partners: Kootenai River Development Council, Kootenai National Forest, Department of Natural Resources and Conservation, Kootenai Forest Stakeholders Coalition, Libby Outdoor Recreation Association, Kootenai XC Ski Club.

Priority: Low

Action 5.5:

Install infrastructure that provides for safe bicycle travel on popular cycle routes on County and State Roads – e.g. off-street paths, bike lanes, bikes-on-road signs, etc.

Partners: Kootenai River Development Council, Montana Department of Transportation, Libby Outdoor Recreation Association, Libby Park Board, loca bike clubs.

Priority: Low

Action 5.6:

Support the Libby Outdoor Recreation Association's efforts to develop multi-use recreation amenities in Lincoln County.

Partners: Kootenai River Development Council, Kootenai National Forest, Department of Natural Resources and Conservation, Libby Outdoor Recreation Association, Libby Park Board, Kootenai Mountain Riders.

Priority: Medium

Action 5.7:

Continue to support the recreation service agreement between the City of Libby, Lincoln County and the Libby Park Board for the funding of the outdoor recreation manager position.

Partners: City of Libby, Libby Park Board., Lincoln County.

Priority: Medium

Action 5.8:

Develop and maintain bicycle camps in or nearby each community.

Partners: Kootenai River Development Council; Tobacco Valley Industrial District, Libby Outdoor Recreation Association; Libby Park Board; Cities of Troy, Libby, and Eureka.

Priority: Low

Goal 6: Increase Promotion of Lincoln County as a Year-Round Outdoor Recreation Destination.

To realize the economic benefits of increasing recreation opportunities, Lincoln County needs to be proactive in marketing itself as a world class destination for outdoor activities without the crowds. For any marketing effort to be successful it needs to be strategic and well-coordinated amongst local partners including the County, chambers of commerce, local businesses, and local municipalities. This will not only help in creating clear and consistent messaging and branding, but also help in combining resources for greater overall impact.

Action 6.1:

Promote Lincoln County as a destination for unspoiled winter recreation without the crowds. The focus here should be on skiing at Turner Mountain, XC skiing in close proximity to picturesque main streets, and snowmobiling.

Partners: Kootenai River Development Council, Libby, Troy and Eureka Chambers of Commerce, Libby Outdoor Recreation Association, Turner Mountain.

Priority: Medium

Action 6.2:

Continue to promote Lincoln County's summer and fall recreation opportunities including biking, backpacking, fishing, rafting/ kayaking, hunting, etc. These efforts should be targeted to relevant trade publications and websites and to populations living in and visiting nearby destinations including Glacier Park, Missoula, and Northern Idaho.

Partners: Kootenai River Development Council, Libby, Troy and Eureka Chambers of Commerce, Libby Outdoor Recreation Association, Governor's Office of Outdoor Recreation, Crown of the Continent and Glacier Country.

Priority: Medium

Action 6.3:

Increase Lincoln County's online presence through social media – e.g. hold an Instagram contest to find the best Lincoln County photos from residents or allow local residents to take over a local Instagram feed for a week to showcase the County from different people's perspective.

Partners: Kootenai River Development Council, Libby, Troy and Eureka Chambers of Commerce, Libby Outdoor Recreation Association.

Priority: Medium

Action 6.4:

Support community efforts to create online and hard copy maps showcasing area trails and recreation amenities.

Partners: Kootenai River Development Council, Libby Outdoor Recreation Association, Yaak Valley Forest Council, chambers of commerce.

Priority: Low

Action 6.5:

Promote motorized recreation opportunities.

Partners: Kootenai River Development Council, Kootenai National Forest, Department of Natural Resources and Conservation, Libby Outdoor Recreation Association, chambers of commerce.

Priority: Low

EVALUATION FRAMEWORK

The evaluation framework for the 2019 CEDS update is intended to provide a tool for Lincoln County and its partners to use in measuring whether implementation of the CEDS is yielding results in line with the goals laid out in the action plan. Recognizing resource constraints, the evaluation framework identifies a limited number of key performance measures to be used on an annual basis to track trends in job creation, business expansion, and wealth creation.

Performance Measures

1. **Total number of new businesses opened annually.**

   Data Source(s): Local chambers of commerce, Kootenai River Development Council (KRDC) and Tobacco Valley Industrial District (TVID).

2. **Number of new manufacturing and industrial businesses opened annually.** Measured for the County and at Kootenai Business Park and TVID.

   Data Source(s): Local chambers of commerce, KRDC and TVID.

3. **Percent of households with access to high speed internet,** defined as download speeds greater than 25 megabits per second or faster.

   Data Source(s): https://broadbandnow.com/Montana

4. **Annual Visitor spending.**

   Data Source(s): University of Montana Institute for Tourism and Recreation Research.

5. **Employment by industry.** Measured by total jobs and as a percent of total employment.

   Data Source(s): U.S. Bureau of Economic Analysis

6. **Labor earnings vs. non-labor income.**

   Data Source(s): U.S. Bureau of Economic Analysis

7. **Unemployment by age group.** Age groups to key in on include: 20-24, 25-29, 30-34, and 45-54.

   Data Source(s): U.S. Census Bureau, American Community Survey.

8. **Number of business start-up classes offered and total attendance at each class.**

   Data Source(s): Flathead Valley Community College, KRDC, and TVID.

9. **Total number and acreage of local good neighbor authority projects and stewardship agreements.**

   Data Source(s): Kootenai National Forest.

10. **Per capita income.**

    Data Source(s): Bureau of Economic Analysis.

11. **Total timber harvests by land ownership – state, federal, and private.**

    Data Source(s): University of Montana Forest Industry Research Program.

APPENDIX A

CEDS Steering Committee Members

Name	Affiliation
Bruce Vincent	President Environomics
Bruce Whitfield	Cabinet Peaks Medical Center, CEO
Chris Bache	Noble Industries
Clint Oster	Retired Economics Professor
Craig Barringer	Libby School Superintendent
Darren Coldwell	County Administrator
Dave Friss	Owner, Alpine Precision
Jackson Garrison	First Montana Bank
Jacob Francom	Troy Schools
Jason Moothart	Interbel Telephone Cooperative
Johnette Watkins	Manager of Kootenai Job Service
Josh Letcher	County Commissioner
Kevin Peck	Glacier Insurance Owner
LeeAnn Schermerhorn	Eureka Mayor
Melissa Brandon	Lincoln Electric Cooperative
Nate Gassmann	Ranger, Libby District, USFS
Shawna Kelsey	Troy City Council
Ted Werner	Civic leader and local businessman
Tina Oliphant	Kootenai River Development Council
Jim Mepham	Eureka Public Schools