

F. Potential Missoula Peers for examining Manufacturing Potentials

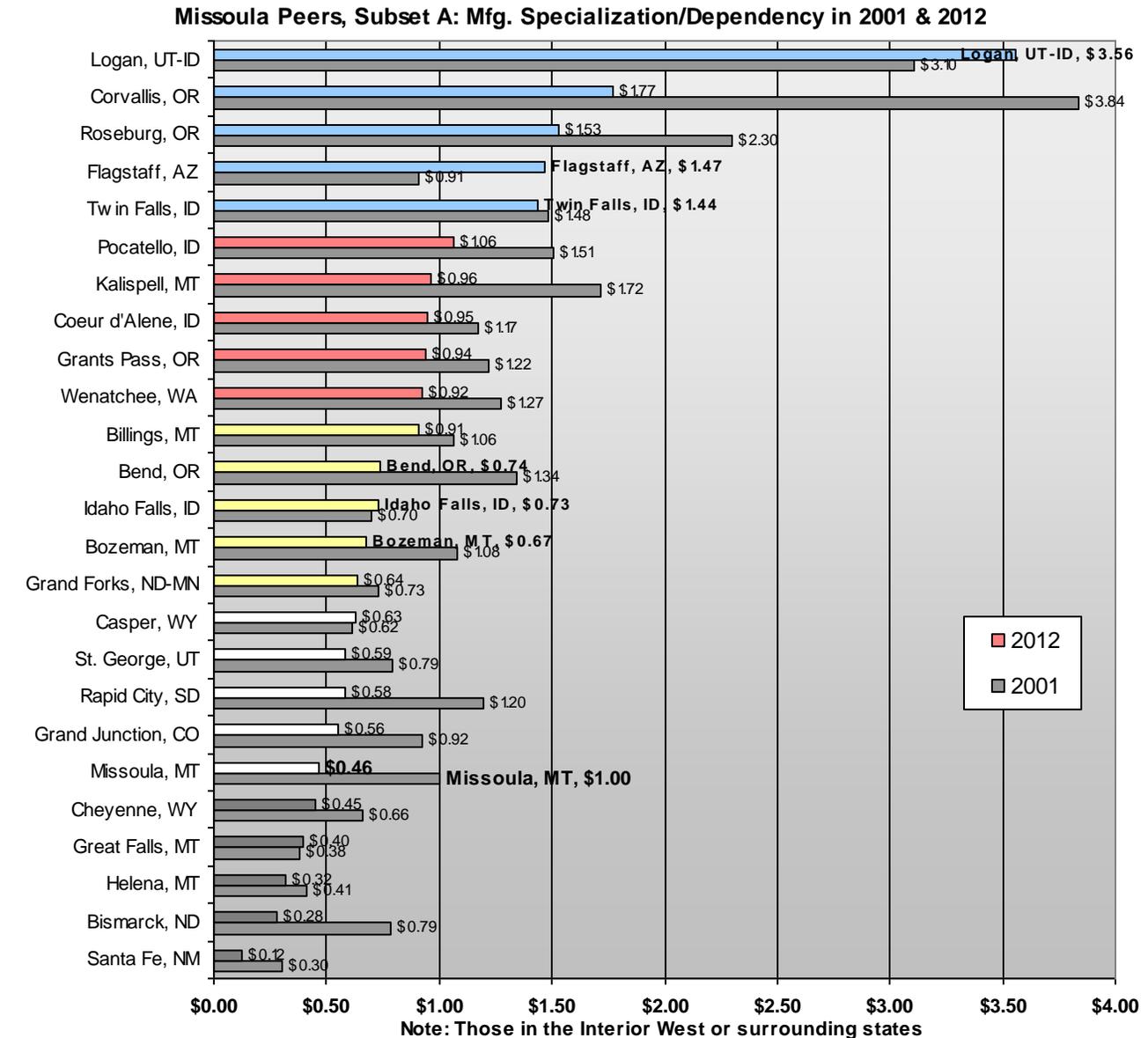
The chart examines manufacturing specialization for 25 peers that are closer to Missoula and located somewhere in the larger region. Logan, UT has the highest specialization in manufacturing by far among these peers with \$3.56 mil. in manufacturing labor earnings for every \$20 mil. in area personal income. What's more this specialization increased from 2001 to 2012, up from \$3.10 mil. in labor earnings in 2001.

Corvallis, OR is 2nd highest in manufacturing dependency but this is rapidly falling and Corvallis has the biggest losses in manufacturing employment over this period. Roseburg, OR, which is 3rd highest, also is experiencing large declines in manufacturing employment.

Flagstaff, AZ, is 4th in manufacturing specialization and this has increased from \$0.91 mil. in manufacturing labor earnings per \$20 mil. in area personal income to \$1.47 mil.

Idaho Falls ranks 13th in manufacturing specialization among these peers, but this specialization is increasing and Idaho Falls also has rising manufacturing employment. Twin Falls, ID, is 5th among peers in manufacturing specialization (\$1.44

mil.), although this has declined. This decline is considerably more in the 6th and 7th ranked peers (Pocatello and Kalispell) and less so in the 8th ranked peer (Coeur d'Alene where manufacturing specialization fell from \$1.17 mil. in 2001 to \$0.95 mil. in 2012).



F. Potential Missoula Region Peers for examining Manufacturing and Other Industrial Potentials

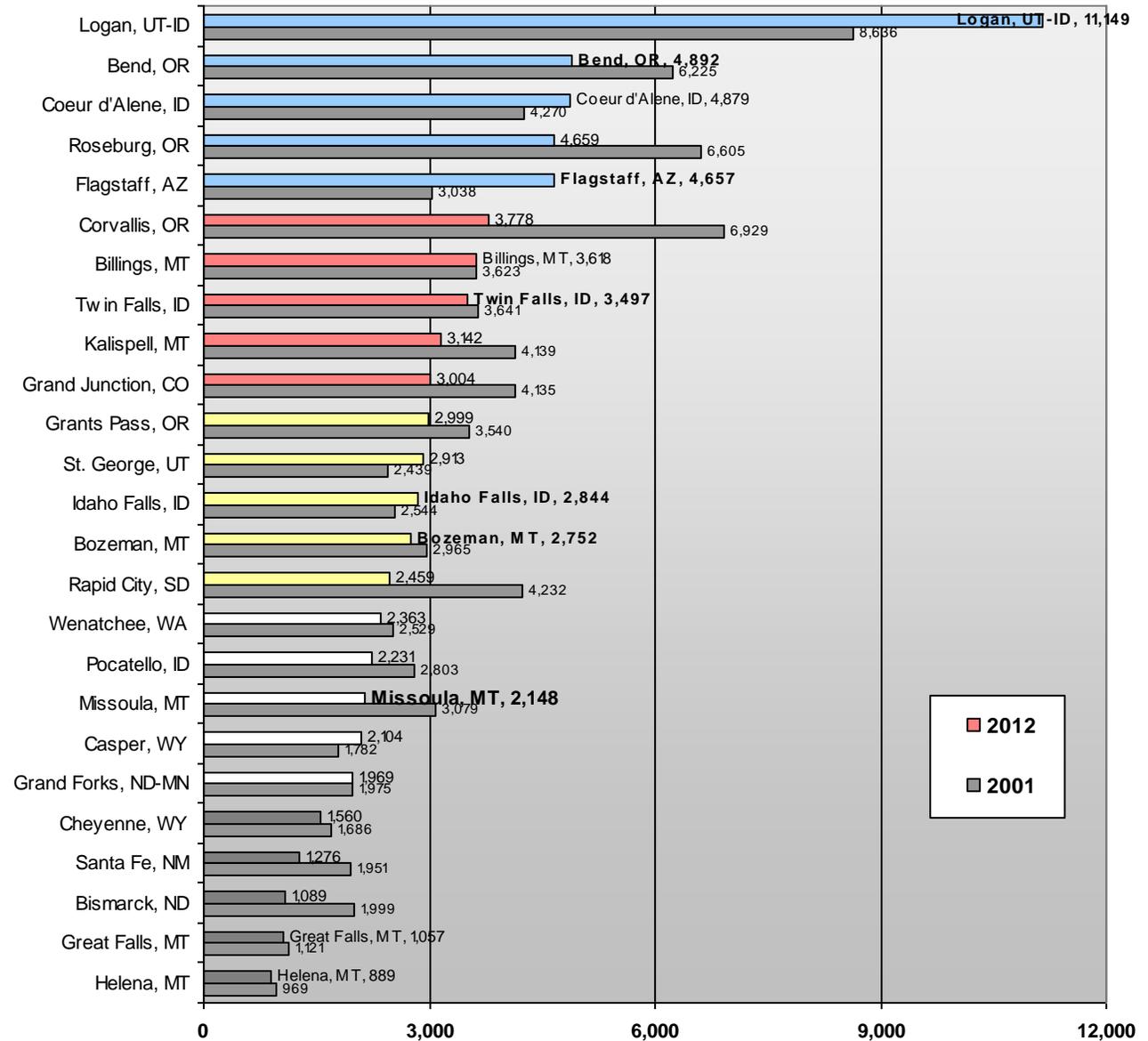
This chart shows employment levels in manufacturing for the 25 region peers for Missoula in 2001 and in 2012. Missoula ranks 18th among these in 2012 manufacturing employment and this employment is decreasing. Logan, UT, has the highest employment among these and is adding to this over the recent period while most other areas continue to lose manufacturing jobs. Bend has the 2nd highest manufacturing employment, but this is declining, as is the case with Missoula and 17 others.

Coeur d'Alene, ID ranks 3rd among these in manufacturing employment and this employment has increased in recent years. Flagstaff, AZ, ranks 5th and it also has been adding more employment in recent years. Idaho Falls ranks 13th among these in manufacturing employment and has added to this in recent years as well.

So while manufacturing isn't seeing a lot of growth and most region peers continue to lose these jobs, some areas are doing better than others in this regard. Ones where manufacturing specialization and jobs are higher than Missoula and where

these jobs are increasing are of interest.

Missoula Region Peers: Manufacturing Employment Levels, 2001 & 2012



Source: BEA, U.S. Dept. of Commerce (full and part-time employment)

F. Manufacturing Employment Change among Missoula's 25 Region Peers

This chart focuses on the 25 peers from the larger group of 50 that are in the Interior West/Rocky Mountain West region, examining their manufacturing employment change between 2001 and 2012. This period considers both trends in manufacturing employment in the pre-recession period (2001-07), recession (2007-2010), and post-recession recovery (2010-12).

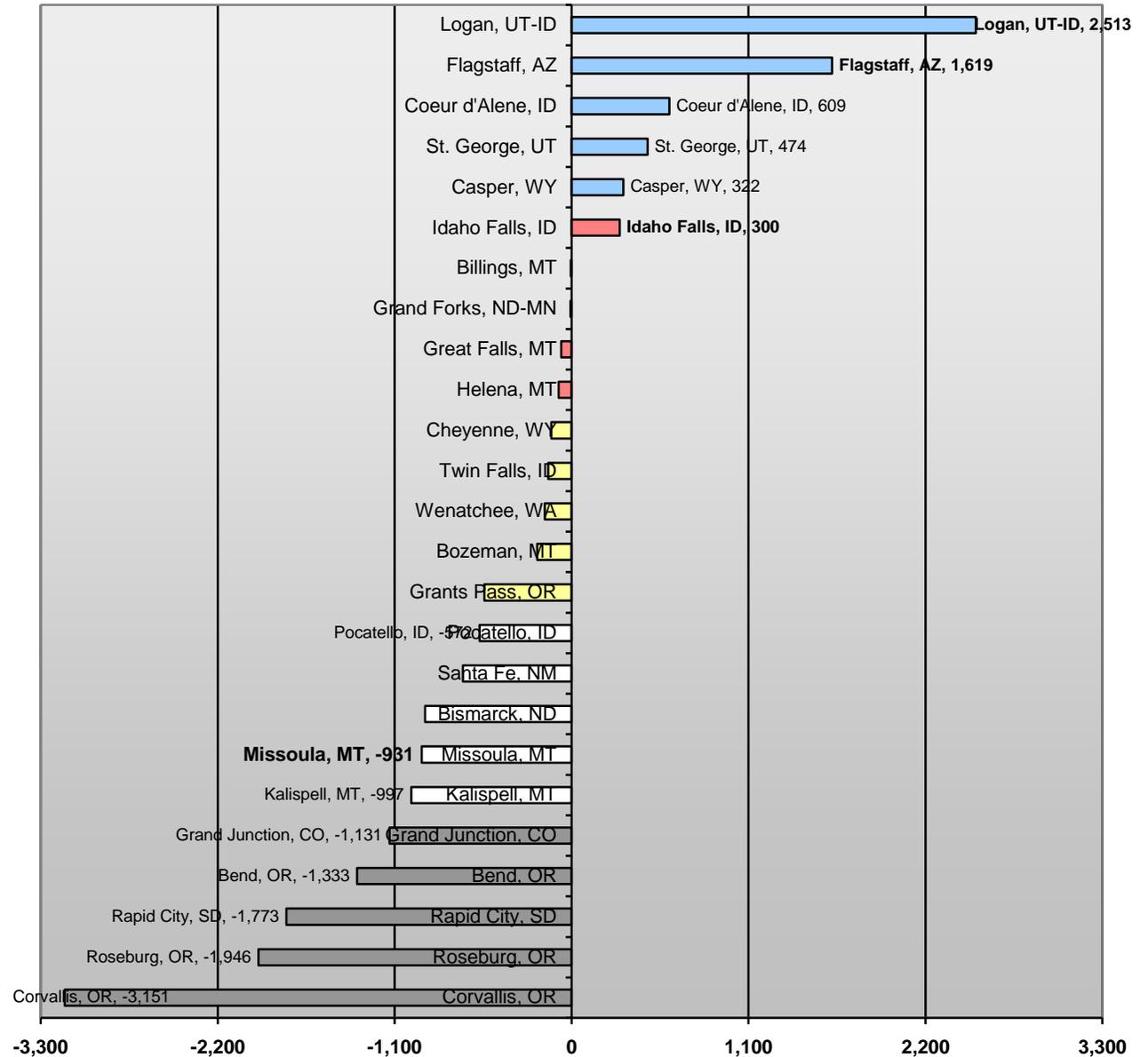
The top three performers in terms of manufacturing employment growth are:

- Logan, UT, gain of 2,513
- Flagstaff, AZ, gain of 1,619
- Coeur d'Alene, ID, +609

Manufacturing employment also grew over this period in St. George, UT (+474), Casper, WY (+322), and Idaho Falls, ID (+300). These gains compare with a loss in Missoula County for this period of 931 manufacturing jobs and a loss by Gallatin County ((Bozeman) of 213 jobs. Flathead County (Kalispell) had manufacturing job losses of 997.

Logan, Flagstaff, Idaho Falls, Coeur d'Alene, and Twin Falls are focused upon in more detail, and compared with Bozeman (Gallatin Co.) and Missoula Co.

Missoula Region Peers: Manufacturing Employment Change, 2001-2012



F. Trends in Manufacturing and Other Industrial Employment for Selected Region Peers

Six peers with greater incidence of manufacturing growth and specialization than Missoula County are focused upon in the table. Whereas manufacturing employment declined in Missoula Co. by 129 jobs between 2001 and 2007 (pre-recession), manufacturing employment grew by 2,484 jobs in Logan (Cache Co.), by 1,191 in Flagstaff (Coconino Co.), by 548 in Coeur d'Alene (Kootenai Co.), by 464 jobs in Idaho Falls (Bonneville Co.), by 225 jobs in Twin Falls (Jerome Co.), and by 142 jobs in Bozeman (Gallatin Co.) during the same period.

And while manufacturing jobs grew by only 3 in Missoula Co. from 2010 to 2012 (post-recession recovery), they grew by 499 in Logan, by 468 in Flagstaff, by 413 in Idaho Falls, by 273 in Coeur d'Alene, by 128 in Bozeman, and by 61 in Twin Falls.

The table also shows employment change in transportation and warehousing, and wholesale trade – key sectors in gauging area needs for industrial lands. Employment levels in professional and technical services are included for comparative purposes.

Manufacturing, Transport & Warehousing, Wholesale Trade, Professional Services among Selected Peers

All full- & part-time employmt	'01	'04	'07	'10	'12	'01-'07	'07-'10	'10-'12
Logan, UT (Cache Co.)								
Total Employment	53,884	58,819	64,382	67,910	68,342	10,498	3,528	432
All Manufacturing	8,636	10,952	11,120	10,650	11,149	2,484	-470	499
Transpt & warehsg	1,191	1,096	1,324	1,230	1,360	133	-94	130
Wholesale Trade	800	855	1,060	996	1,096	260	-64	100
Profes, scientific, tech serv	2,795	3,505	3,921	4,385	4,665	1,126	464	280
Flagstaff (Coconino Co.)								
Total Employment	70,371	77,959	86,445	82,753	83,814	16,074	-3,692	1,061
All Manufacturing	3,038	3,450	4,229	4,189	4,657	1,191	-40	468
Transpt & warehsg	2,099	2,113	2,278	2,097	2,107	179	-181	10
Wholesale Trade	900	1,012	1,386	1,096	1,313	486	-290	217
Profes, scientific, tech serv	3,025	3,574	3,965	3,618	3,458	940	-347	-160
Idaho Falls, ID (Bonneville Co.)								
Total Employment	49,499	54,551	62,451	59,638	60,728	12,952	-2,813	1,090
All Manufacturing	2,544	2,692	3,008	2,431	2,844	464	-577	413
Transpt & warehsg	(D)	(D)	1,960	1,750	1,954	(D)	-210	204
Wholesale Trade	3,564	3,756	3,714	3,592	3,782	150	-122	190
Profes, scientific, tech serv	2,530	3,243	4,025	3,658	3,414	1,495	-367	-244
Coeur d'Alene, ID (Kootenai Co.)								
Total Employment	60,261	67,183	78,472	73,880	74,314	18,211	-4,592	434
All Manufacturing	4,270	4,129	4,818	4,606	4,879	548	-212	273
Transpt & warehsg	973	1,010	1,289	1,084	1,120	316	-205	36
Wholesale Trade	1,410	1,559	1,890	1,722	1,777	480	-168	55
Profes, scientific, tech serv	2,772	3,368	4,146	4,136	3,968	1,374	-10	-168
Bozeman, MT (Gallatin Co.)								
Total Employment	52,713	58,342	68,052	63,773	66,473	15,339	-4,279	2,700
All Manufacturing	2,965	2,480	3,107	2,624	2,752	142	-483	128
Transpt & warehsg	966	1,071	1,393	1,219	1,347	427	-174	128
Wholesale Trade	1,364	1,494	1,724	1,675	1,762	360	-49	87
Profes, scientific, tech serv	3,957	4,375	5,848	5,684	5,982	1,891	-164	298
Twin Falls, ID (Jerome Co.)								
Total Employment	9,699	10,009	11,357	11,226	11,277	1,658	-131	51
All Manufacturing	1,077	1,026	1,302	1,439	1,500	225	137	61
Transpt & warehsg	860	914	1,005	1,159	1,144	145	154	-15
Missoula (Missoula Co.)								
Total Employment	68,018	71,963	77,642	73,758	75,477	9,624	-3,884	1,719
All Manufacturing	3,079	3,091	2,950	2,145	2,148	-129	-805	3
Transpt & warehsg	2,711	2,621	2,567	2,173	2,380	-144	-394	207
Wholesale Trade	2,336	2,359	2,466	2,091	2,135	130	-375	44
Profes, scientific, tech serv	4,109	4,813	5,136	5,073	5,034	1,027	-63	-39

Source: BEA, U.S. Commerce Dept. (REIS or Regional Employment and Income System data)

F. Profile of Key Industry Trends in Logan, UT

Logan is located in Cache County, Utah, which had a county-wide population of 112,656 in 2010 as compared to Missoula County's population of 109,300. It is the home of Utah State University.

The table shows industry or sector labor earnings levels for selected years since 2001 in Cache Co. The figures are in inflation-adjusted dollars. Manufacturing labor earnings have steadily grown over the entire period, rising from \$354 mil. in 2001 to \$577 mil. in 2012. Much of the increase is in durables manufacturing, mainly computers and electronics (\$53 mil. to \$75 mil.) and miscellaneous manufacturing (\$32 mil. to \$123 mil.)

Nondurables manufacturing also is rising, up from \$220 mil. in labor earnings to \$307 mil. The gain here is mainly in food (\$120 mil. to \$183 mil.) and chemicals (\$27 mil. to \$59 mil.). Wholesale trade labor earnings in the area more than doubled, increasing from \$23 mil. to \$47 mil.

Logan is home to Utah State University (enrollment of about 22,500) and also the Bridgerland Applied Technology Workforce Training Center (BATC) which also houses the Cache Business Resource Center (temporary office space and

mentoring to entrepreneurs). BATC has an enrollment of about 10,600 students. It also has ICON Health & Fitness that develops and manufactures fitness equipment. FreeMotion Fitness is a commercial division of ICON and has moved its corporate headquarters from Colorado Springs to Logan. Campbell Scientific that makes technical instruments, Thermo Fisher Scientific that produces biotechnology products, and New Dawn Technologies that produces computer software products (Economic Development Corporation of Utah).

Peer Industry Profile: Sector Labor Earnings in 2010 Dollars (Mil.)

Logan	2001	2004	2007	2010	2012	2001-07	2007-2010	2010-2012
All Manufacturing	\$353.5	\$486.8	\$531.8	\$544.9	\$576.7	\$178.2	\$13.1	\$31.8
Durables Mfg.	\$133.4	\$250.2	\$253.6	\$242.6	\$269.8	\$120.2	-\$11.0	\$27.2
Computers & electr.	\$53.2	\$55.5	\$60.5	\$72.1	\$75.0	\$7.3	\$11.5	\$3.0
Fabric. metal prod.	\$13.4	\$15.7	\$17.9	\$17.0	\$20.6	\$4.5	-\$0.9	\$3.6
Machinery mfg.	\$9.9	\$11.0	\$9.1	\$8.6	\$9.0	-\$0.8	-\$0.5	\$0.4
Miscel. mfg.	\$31.7	\$135.3	\$126.0	\$120.5	\$122.9	\$94.2	-\$5.5	\$2.4
Nondurable Mfg.	\$220.1	\$236.6	\$278.1	\$302.3	\$306.8	\$58.0	\$24.1	\$4.6
Food products	\$120.4	\$134.5	\$167.5	\$185.9	\$183.4	\$47.1	\$18.4	-\$2.5
Chemical products	\$26.9	\$37.0	\$41.3	\$49.7	\$58.7	\$14.4	\$8.4	\$9.0
Printing & related	\$49.9	\$41.6	\$45.3	\$40.1	\$37.9	-\$4.6	-\$5.2	-\$2.2
Plastics & rubber	\$19.1	\$18.2	\$19.4	\$21.0	\$19.6	\$0.3	\$1.6	-\$1.4
Utilities	\$4.1	\$4.9	\$6.2	\$6.6	\$6.3	\$2.1	\$0.4	-\$0.2
Transpt. & warehsg	\$50.6	\$55.8	\$64.2	\$51.2	\$57.0	\$13.7	-\$13.0	\$5.8
Truck transpt.	\$32.7	\$39.9	\$45.3	\$37.1	\$40.2	\$12.6	-\$8.2	\$3.1
Couriers & messengers	\$3.1	(D)	\$3.7	\$5.3	\$6.7	\$0.6	\$1.6	\$1.4
Warehsg & storage	\$3.7	\$4.5	\$4.2	\$3.6	\$3.7	\$0.5	-\$0.5	\$0.0
Wholesale trade	\$23.2	\$26.5	\$39.1	\$41.8	\$47.0	\$16.0	\$2.6	\$5.3
Construction	\$88.3	\$117.1	\$146.1	\$153.4	\$113.3	\$57.8	\$7.3	-\$40.1
Heavy & civil eng.	\$5.8	\$5.3	\$8.8	\$55.7	\$10.2	\$3.0	\$46.9	-\$45.6
Prof. & technical serv	\$74.2	\$97.3	\$107.0	\$124.6	\$145.1	\$32.8	\$17.6	\$20.5

Source: BEA, U.S. Commerce Dept. (REIS labor earnings data for NAICS sectors adjusted for inflation)

Cache Co. where Logan is located is near major transportation artery I-15 and Logan Cache Airport. Logan City is 80 miles northeast of Salt Lake City. The Salt Lake City metro area has over 1.1 million people. Between Logan and Salt Lake City is another metro area – Ogden-Clearfield with another 550,000.

F. Profile of Key Industry Trends in Flagstaff, AZ

Flagstaff is located in Coconino County in north-central Arizona, which had a county-wide population of 134,421 in 2010 as compared to Missoula County's population of 109,300. It is the home of Northern Arizona University with about 19,300 students enrolled at the Flagstaff campus.

The table shows industry or sector labor earnings levels for selected years since 2001 in Coconino Co. The figures are inflation-adjusted. Manufacturing labor earnings grew throughout the period, rising from \$161 mil. in 2001 to \$334 mil. in 2012. Because of suppression in the data, the categories of manufacturing most prevalent in Flagstaff cannot be determined from the data but the area is known for medical device manufacturing (W. L. Gore & Assoc.).

Utilities labor earnings fell over the period and are small (\$7.4 mil.). Transportation and warehousing labor earnings grew, rising from \$88 mil. to \$101 mil. Wholesale trade grew from \$34 mil. to \$49 mil. Flagstaff is a distribution hub for Nestle Purina Petcare and Walgreens (Wikipedia). Construction fell from a high in 2007 of \$244 mil. to \$131 mil. Labor earnings in professional and technical services rose to \$142 mil. in 2007 before falling back to

\$91 mil. There is considerable scientific and technology-based research and development in the city with Northern Arizona University, the U.S. Naval Observatory Flagstaff Station, a campus of the U.S. Geological Survey, and Lowell Observatory which is an active astronomical observatory.

Peer Industry Profile: Sector Labor Earnings in 2010 Dollars (Mil.)

Flagstaff	2001	2004	2007	2010	2012	2001-07	2007-2010	2010-2012
All Manufacturing	\$160.8	\$196.1	\$268.8	\$303.3	\$333.5	\$107.9	\$34.6	\$30.2
Durables Mfg.	\$109.1	\$146.4	(D)	(D)	(D)	(D)	(D)	(D)
Nondurable Mfg.	\$51.8	\$49.7	(D)	(D)	(D)	(D)	(D)	(D)
Food products	\$17.1	\$18.6	\$22.8	\$24.8	\$29.0	\$5.7	\$2.0	\$4.2
Beverage prod.	\$9.5	\$8.1	(D)	(D)	\$8.3	(D)	(D)	(D)
Utilities	\$13.7	\$6.2	\$6.5	\$6.6	\$7.4	-\$7.1	\$0.0	\$0.8
Transpt. & warehsg	\$87.8	\$98.0	\$109.6	\$99.2	\$100.7	\$21.8	-\$10.5	\$1.6
Rail transpt.	\$18.1	\$18.8	\$21.2	\$18.1	\$22.0	\$3.1	-\$3.1	\$3.9
Truck transpt.	\$18.4	\$20.3	\$24.0	\$19.4	\$22.7	\$5.6	-\$4.6	\$3.3
Scenic/sightseeing	\$8.6	\$8.8	\$11.5	\$10.1	\$10.5	\$2.9	-\$1.4	\$0.4
Wholesale trade	\$33.8	\$40.1	\$73.0	\$42.3	\$48.7	\$39.2	-\$30.7	\$6.4
Construction	\$146.9	\$197.6	\$244.3	\$132.9	\$130.5	\$97.4	-\$111.5	-\$2.4
Heavy & civil eng.	\$15.4	\$18.2	\$22.2	\$11.7	\$12.2	\$6.8	-\$10.6	\$0.5
Prof. & technical serv	\$66.0	\$97.8	\$141.8	\$100.5	\$91.3	\$75.8	-\$41.3	-\$9.3

Source: BEA, U.S. Commerce Dept. (REIS labor earnings data for NAICS sectors adjusted for inflation)

Flagstaff is located on a main rail corridor of BNSF and is at the junction of Interstate 40 (east-west) and 17 (north-south). There are five different industrial parks situated nearby these transportation corridors. Major manufacturers in the area include W. L. Gore (makers of Gore-Tex products), Nestle Purina PetCare (pet food), SCA Tissue (tissue paper), Joy Cone (ice cream cones), and Prent Thermoforming (precision packaging used by Apple and Gore). Walgreens operates a major distribution center in the city. (Wikipedia). The area's rail system is referred to as Southern Transcon and is one of the busiest rail lines in the western U.S. with 90 to 100 trains passing through daily.

Flagstaff is located 130 miles north of Phoenix which has an estimated 4.3 million people living in its metropolitan area. Flagstaff economic development programming is through city government and also a Flagstaff Industrial Development Authority that promotes industrial development through use of tax-deferred bonds that provide low-interest financing. The city has a 10,000 s.f. business incubator facility.

F. Profile of Key Industry Trends in Idaho Falls, ID

Idaho Falls is located in Bonneville County, Idaho, which had a county-wide population of 104,234 in 2010 as compared to Missoula County's population of 109,300. Idaho Falls is located about 160 miles north of Ogden, UT, which has a metro area population of about 550,000. It is about 200 miles from Salt Lake City which has a metro population of 1.1 mil. Idaho Falls does not have a major university, but it has Eastern Idaho Technology College. It also has a satellite campus that offers courses through both Idaho State and Idaho Universities. The campus also has the Center for Advanced Energy Studies that's run in conjunction with the Idaho Lab.

The Idaho National Engineering and Environmental Lab is located about 25 miles west of the city. The Lab employs more than 8,000 people and functions as an internationally known energy research center.

The table shows industry or sector labor earnings levels for selected years since 2001 in Bonneville Co. The figures are inflation-adjusted. Manufacturing labor earnings have steadily grown, except during the recession years, rising from \$93 mil. in 2001 to \$137 mil. in 2012. Nondurables manufacturing is the larger portion of this, including

chemicals and food. Durables manufacturing includes fabricated metals, furniture, nonmetal minerals, and miscellaneous. The area's main transportation sector is trucking. Wholesale trade is the area is quite substantial – \$265 mil. in labor earnings in 2012, up from \$193 mil. in 2001.

Peer Industry Profile: Sector Labor Earnings in 2010 Dollars (Mil.)

Idaho Falls	2001	2004	2007	2010	2012	2001-07	2007-2010	2010-2012
All Manufacturing	\$92.7	\$100.2	\$120.4	\$103.2	\$137.2	\$27.8	-\$17.2	\$34.0
Durables Mfg.	(D)	\$51.8	\$70.5	\$54.3	\$59.4	(D)	-\$16.2	\$5.1
Fabric. metal prod.	\$11.9	\$8.6	\$12.4	\$12.6	\$16.5	\$0.4	\$0.2	\$3.8
Furniture mfg.	\$9.8	\$11.2	\$12.3	\$6.4	\$7.2	\$2.5	-\$5.9	\$0.8
Nonmetal. minerals	\$7.8	\$8.8	\$15.3	\$8.5	\$6.7	\$7.5	-\$6.8	-\$1.8
Other transpt. equip mfg	(D)	(D)	(D)	\$2.9	\$4.4	(D)	(D)	\$1.4
Miscel. mfg.	\$4.6	\$5.3	\$6.2	\$6.6	\$6.0	\$1.6	\$0.5	-\$0.6
Nondurable Mfg.	(D)	\$48.4	\$49.9	\$48.9	\$77.8	(D)	-\$1.0	\$28.9
Chemical products	\$10.8	(D)	\$22.3	\$22.8	\$28.0	\$11.4	\$0.5	\$5.2
Food products	\$18.6	\$20.4	\$13.2	\$16.4	\$26.1	-\$5.4	\$3.1	\$9.8
Printing & related	\$5.7	\$6.3	\$8.5	\$3.2	\$3.8	\$2.8	-\$5.3	\$0.6
Utilities	(D)	(D)	(D)	\$3.3	\$6.0	(D)	(D)	\$2.6
Transpt. & warehsg	(D)	(D)	(D)	\$89.6	\$108.3	(D)	(D)	\$18.7
Truck transpt.	\$46.3	\$58.3	\$68.6	\$64.9	\$84.0	\$22.3	-\$3.6	\$19.1
Couriers & messengers	\$6.2	\$6.6	\$7.2	\$5.9	\$5.7	\$1.0	-\$1.2	-\$0.3
Warehsg & storage	\$0.2	(D)	\$4.0	(D)	\$4.4	\$3.8	(D)	(D)
Rail transpt.	\$3.8	\$3.6	\$4.1	\$3.6	\$4.3	\$0.3	-\$0.6	\$0.8
Transpt. support activ.	\$3.5	\$3.1	\$5.2	\$3.7	\$4.2	\$1.6	-\$1.5	\$0.5
Transit & ground supt	\$4.6	\$2.5	\$3.7	\$4.5	\$3.8	-\$0.9	\$0.8	-\$0.7
Wholesale trade	\$192.9	\$216.4	\$253.9	\$256.3	\$264.9	\$61.0	\$2.4	\$8.6
Construction	\$161.1	\$210.2	\$272.5	\$199.3	\$165.4	\$111.3	-\$73.2	-\$33.9
Heavy & civil eng.	\$29.5	\$33.8	\$47.9	\$72.0	\$35.6	\$18.4	\$24.1	-\$36.5
Prof. & technical serv	\$144.6	\$170.9	\$187.6	\$194.3	\$185.9	\$43.0	\$6.7	-\$8.4

Source: BEA, U.S. Commerce Dept. (REIS labor earnings data for NAICS sectors adjusted for inflation)

Economic development programming for Idaho Falls is done by Grow Idaho Falls, an investor-based organization.

F. Profile of Key Industry Trends in Coeur d'Alene, ID

Coeur d'Alene is located in Kootenai County, Idaho, which had a county-wide population of 138,494 in 2010 as compared to Missoula County's population of 109,300. Coeur d'Alene is located about 33 miles from Spokane, WA, which has a metro area population of 530,000. It has no major university.

The area has been able to expand area manufacturing, which was growing rapidly prior to the recession. The largest share of this is durables and includes wood products, although this is rapidly declining, falling from \$57 mil. in 2001 to \$34 mil. Furniture manufacturing labor earnings also are declining.

But durables manufacturing in computers and electronics (\$30 mil.), fabricated metals (\$24), electronic equipment (\$22 mil.), primary metals, and miscellaneous is growing.

Nondurables manufacturing also is growing including plastics, chemicals, and printing.

Labor earnings in utilities and transportation are significant but are not growing. Wholesale trade labor earnings are relatively small but are growing.

Peer Industry Profile: Sector Labor Earnings in 2010 Dollars (Mil.)

Coeur d'Alene	2001	2004	2007	2010	2012	2001-07	2007-2010	2010-2012
All Manufacturing	\$197.9	\$201.7	\$238.0	\$211.2	\$224.1	\$40.2	-\$26.8	\$12.9
Durables Mfg.	\$176.0	\$173.7	\$206.1	\$179.3	\$189.3	\$30.2	-\$26.9	\$10.0
Wood products	\$56.7	\$51.9	\$48.4	\$32.8	\$34.2	-\$8.3	-\$15.6	\$1.4
Computers & electron.	\$20.7	\$21.5	\$24.4	\$28.5	\$30.4	\$3.7	\$4.0	\$2.0
Fabric. metal prod.	\$9.3	\$12.2	\$27.9	\$22.6	\$23.9	\$18.6	-\$5.3	\$1.3
Electr. equip. & appl.	(D)	\$14.7	\$15.9	\$22.0	\$22.4	(D)	\$6.1	\$0.4
Machinery mfg.	\$19.6	\$18.1	\$25.1	\$17.4	\$16.9	\$5.6	-\$7.8	-\$0.5
Furniture mfg.	\$29.5	\$23.6	\$24.2	\$18.8	\$16.8	-\$5.3	-\$5.4	-\$2.0
Primary metal mfg.	\$9.5	\$9.1	\$9.2	\$14.0	\$13.4	-\$0.3	\$4.8	-\$0.5
Nonmetal. minerals	\$3.8	\$11.6	\$13.4	\$7.6	\$6.4	\$9.6	-\$5.8	-\$1.2
Miscel. mfg.	\$6.6	\$7.0	\$10.7	\$9.8	\$13.6	\$4.1	-\$0.9	\$3.8
Nondurable Mfg.	\$21.9	\$28.0	\$31.9	\$31.9	\$34.8	\$10.0	\$0.0	\$3.0
Plastics & rubber	\$13.2	\$12.2	\$15.8	\$14.2	\$15.0	\$2.6	-\$1.6	\$0.8
Chemical products	\$1.0	\$1.3	\$1.0	(D)	\$8.4	\$0.0	(D)	(D)
Printing & related	\$4.0	\$10.5	\$10.0	\$4.7	\$6.1	\$5.9	-\$5.3	\$1.4
Utilities	\$21.3	\$23.6	\$26.4	\$26.0	\$23.8	\$5.1	-\$0.4	-\$2.2
Transpt. & warehsg	\$46.0	\$42.4	\$48.1	\$39.3	\$43.5	\$2.1	-\$8.8	\$4.2
Truck transpt.	\$32.1	\$25.7	\$26.2	\$17.2	\$21.2	-\$5.8	-\$9.0	\$3.9
Transpt. support activ.	\$4.9	\$5.8	\$8.9	\$9.0	\$10.5	\$4.0	\$0.1	\$1.5
Couriers & messengers	\$6.5	(D)	\$6.4	\$7.5	\$6.5	-\$0.1	\$1.1	-\$1.0
Wholesale trade	\$63.8	\$69.9	\$94.3	\$86.0	\$88.3	\$30.5	-\$8.3	\$2.3
Construction	\$254.6	\$285.6	\$381.9	\$208.8	\$188.8	\$127.3	-\$173.1	-\$20.1
Heavy & civil eng.	\$44.3	\$44.3	\$54.9	\$30.2	\$26.2	\$10.7	-\$24.8	-\$3.9
Prof. & technical serv	\$117.5	\$132.7	\$159.6	\$159.3	\$146.9	\$42.1	-\$0.3	-\$12.4

Source: BEA, U.S. Commerce Dept. (REIS labor earnings data for NAICS sectors adjusted for inflation)

Coeur d'Alene does lie on Interstate 90 but winter travel through nearby mountainous areas can be difficult for truck transport. The Coeur d'Alene Chamber web site says that diversified manufacturing expanded in the 1990s and there are 35 businesses involved in an aerospace consortium. There are firms in avionics and controls, as well as networks and security systems. Customer call centers have come to the area attracted by "cutting edge switching technology and fiber deployment". The area has around 12 industrial parks.

F. Profile of Key Industry Trends in Bozeman, MT

Bozeman is located in Gallatin County, Montana, which had a county-wide population of 89,500 in 2010. Bozeman is located about 140 miles west of Billings, MT, which has a metro area population of 160,000. It is home to Montana State University and Gallatin College and is located on Interstate 90.

Currently the Bozeman area is fast growing with a growing population and economy with companies like RightNow Technologies (software), Simms Fishing Products, Gibson Guitar, and three dozen firms that make up an area laser-optics industry. But, while manufacturing in the area is significant (\$119 mil. in labor earnings in 2012), it isn't growing. What is growing is professional and technical services, up from \$147 mil. to \$378 mil. Wholesale trade is rapidly growing, increasing from \$68 mil. to \$107 mil. Transportation is growing, particularly truck transport. And the area construction industry is particularly large, even with a major decline during the recession.

A new industrial park is being developed (North Park) where "manufacturers of products and/or purveyors of knowledge or information can realize cost savings, increase efficiencies and take

advantage of the existing and potential assets and/or geographical proximities to transportation corridors and air services" (Bozeman City Commission). Industries with potential include "manufacturing and fabrication, along with the bio-science and bio-technology, high technology, photonics, and the outdoor industry as sectors that the City should encourage and support in an effort to create new, higher-paying and skilled jobs while diversifying the local and regional economies."

Peer Industry Profile: Sector Labor Earnings in 2010 Dollars (Mil.)

Bozeman	2001	2004	2007	2010	2012	2001-07	2007-2010	2010-2012
All Manufacturing	\$119.6	\$111.5	\$136.9	\$117.3	\$119.4	\$17.3	-\$19.6	\$2.1
Durables Mfg.	\$91.5	\$79.0	\$100.3	\$84.8	\$86.1	\$8.8	-\$15.5	\$1.3
Fabric. metal prod.	\$2.5	\$2.5	\$8.5	\$9.4	\$15.6	\$6.1	\$0.9	\$6.2
Computers & electron.	\$20.5	\$10.2	\$13.7	\$12.3	\$12.4	-\$6.9	-\$1.4	\$0.2
Nonmetal. minerals	\$13.2	\$11.1	\$16.3	\$10.8	\$11.0	\$3.1	-\$5.5	\$0.2
Electr. equip. & appl.	\$3.5	(D)	(D)	(D)	\$5.6	(D)	(D)	(D)
Machinery mfg.	\$4.4	\$5.8	(D)	(D)	\$5.5	(D)	(D)	(D)
Furniture mfg.	\$8.8	\$9.9	\$11.7	\$3.9	\$3.4	\$2.9	-\$7.7	-\$0.6
Miscel. mfg.	\$18.3	\$16.6	\$19.6	\$25.7	\$21.2	\$1.2	\$6.2	-\$4.6
Nondurable Mfg.	\$28.2	\$32.5	\$36.6	\$32.5	\$33.3	\$8.4	-\$4.1	\$0.8
Food products	\$3.7	\$5.5	\$6.6	\$7.0	\$5.8	\$2.9	\$0.4	-\$1.2
Beverage prod.	(D)	\$3.6	\$4.4	\$4.5	\$5.1	(D)	\$0.1	\$0.6
Plastics & rubber	\$4.5	\$4.7	\$5.3	\$3.9	\$3.6	\$0.8	-\$1.4	-\$0.3
Printing & related	\$6.1	\$5.7	\$5.6	\$3.7	\$3.3	-\$0.6	-\$1.9	-\$0.4
Textile products	\$3.4	\$2.6	\$3.3	\$3.0	\$3.0	-\$0.2	-\$0.2	\$0.0
Utilities	(D)	\$8.2	\$10.7	\$11.6	\$12.0	(D)	\$0.9	\$0.4
Transpt. & warehsg	(D)	\$42.3	\$48.0	\$45.6	\$55.7	(D)	-\$2.4	\$10.1
Truck transpt.	\$11.3	\$22.0	\$20.2	\$17.0	\$23.5	\$8.9	-\$3.2	\$6.5
Transit & ground supt	\$4.2	\$4.1	\$5.6	\$6.8	\$7.8	\$1.3	\$1.3	\$1.0
Air transpt.	\$4.4	\$4.8	\$4.4	\$4.4	\$5.0	\$0.0	\$0.0	\$0.6
Transpt. support activ.	\$4.8	\$3.2	\$5.2	\$5.3	\$5.8	\$0.4	\$0.1	\$0.6
Warehsg & storage	(D)	\$0.1	(D)	(D)	\$2.9	(D)	(D)	(D)
Wholesale trade	\$68.3	\$78.9	\$115.0	\$101.5	\$107.5	\$46.8	-\$13.5	\$6.0
Construction	\$214.6	\$286.7	\$401.0	\$247.4	\$265.0	\$186.3	-\$153.6	\$17.6
Heavy & civil eng.	\$31.3	\$33.7	\$52.8	\$31.6	\$37.3	\$21.5	-\$21.2	\$5.7
Prof. & technical serv	\$147.2	\$167.2	\$262.7	\$260.8	\$377.7	\$115.5	-\$1.8	\$116.9

Source: BEA, U.S. Commerce Dept. (REIS labor earnings data for NAICS sectors adjusted for inflation)

F. Trends in Area Dependency on these Industries in Gallatin County

A chart similar to the one produced for Missoula County on page 58 is produced here for Gallatin County in order to show and compare each area's changing dependence on several key industries over time. This chart shows area dependencies of Gallatin County on manufacturing, transportation and utilities, and wholesale trade for selected years five-years apart since the early '70s.

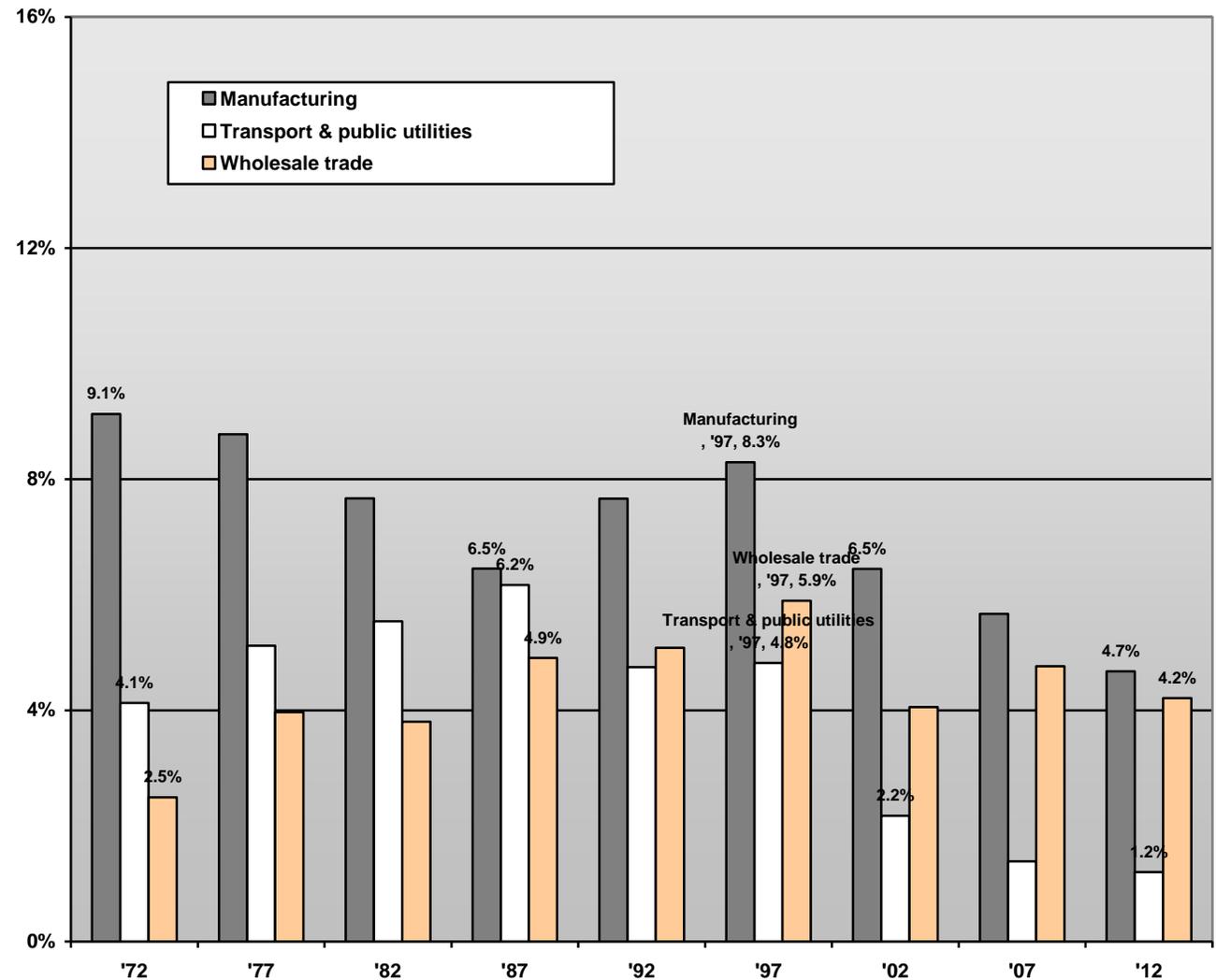
Manufacturing accounted for 4.7% of total area labor earnings in Gallatin County in 2012, as compared to 3.2% in Missoula. But in 1997 Gallatin's manufacturing sector accounted for 8.3% of area labor earnings, so there has been a significant decline in its dependency on manufacturing over this recent period of growth.

Transportation and utilities accounted for 1.2% area labor earnings in Gallatin Co. in 2012, as compared to 5.7% in Missoula, and Wholesale trade accounted for 4.2% in Gallatin as compared to 4.0% in Missoula.

Gallatin has total labor earnings across all of these sectors of about \$2.6 billion in 2012 while Missoula has about \$3 billion. So there is little different here. However, Gallatin County's professional and technical services sector which has grown to

labor earnings of \$378 mil. in 2012 is much larger than this sector in Missoula County, which totaled labor earnings of \$206 mil. So it is probably in the professional and technical services sector where Bozeman and Gallatin County have made their biggest move in recent years in their economic expansion.

Changing Shares of Overall Labor Earnings in Gallatin Co.



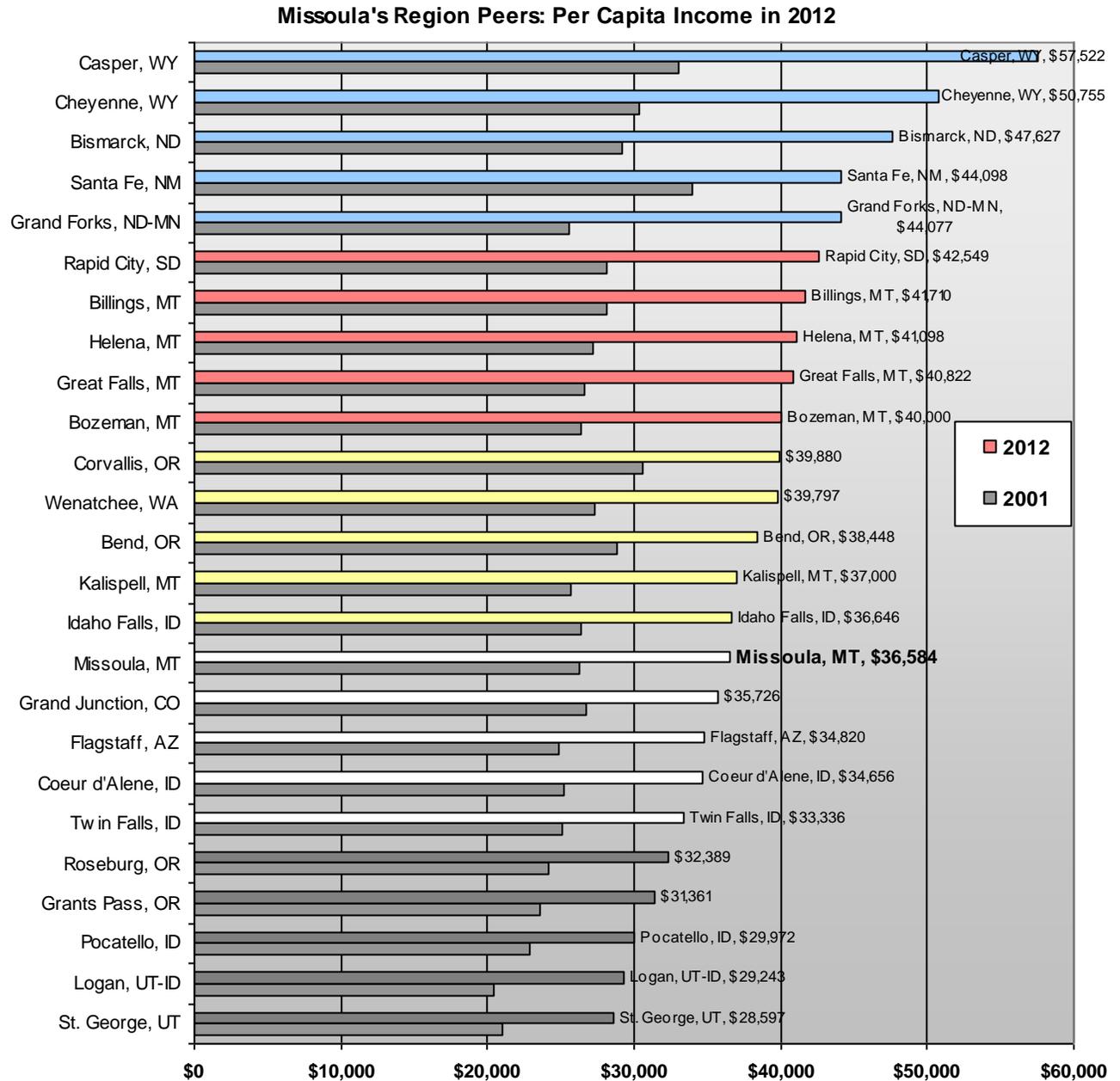
However while Gallatin's manufacturing sector may not be growing in size overall as measured by total labor earnings, it does seem to be shifting in composition and this may be complementing some of the growth in professional and technical services that is research and development oriented.

F. Per Capita Income Comparisons for the 25 Region Peers

Per capita income levels for a smaller set of 25 region peers for Missoula County selected from the larger group of 50 are shown in the chart at the right for both 2012 and 2001 (both in nominal dollars). Missoula County's per capita income in 2012 was \$36,584 and \$26,239 in 2001.

Missoula ranked 16th among the 25 region peers in 2012 per capita income. Missoula's nominal per capita income in 2001 of \$26,239 ranked 13th among these. So, Missoula County has fallen in its comparative ranking relative to these nearer region peers over time in per capita income. Significantly, all five of the other region peers in Montana rank higher than Missoula.

Two region peers who have done better than Missoula Co. in manufacturing specialization and employment (St. George and Logan) rank at the bottom in per capita income. Twin Falls, Coeur d'Alene, and Flagstaff also rank very low and below Missoula in spite of their higher manufacturing specializations and employment levels. So, higher dependence on manufacturing for area income does not necessary translate into higher per capita income levels than other similar areas having less manufacturing.



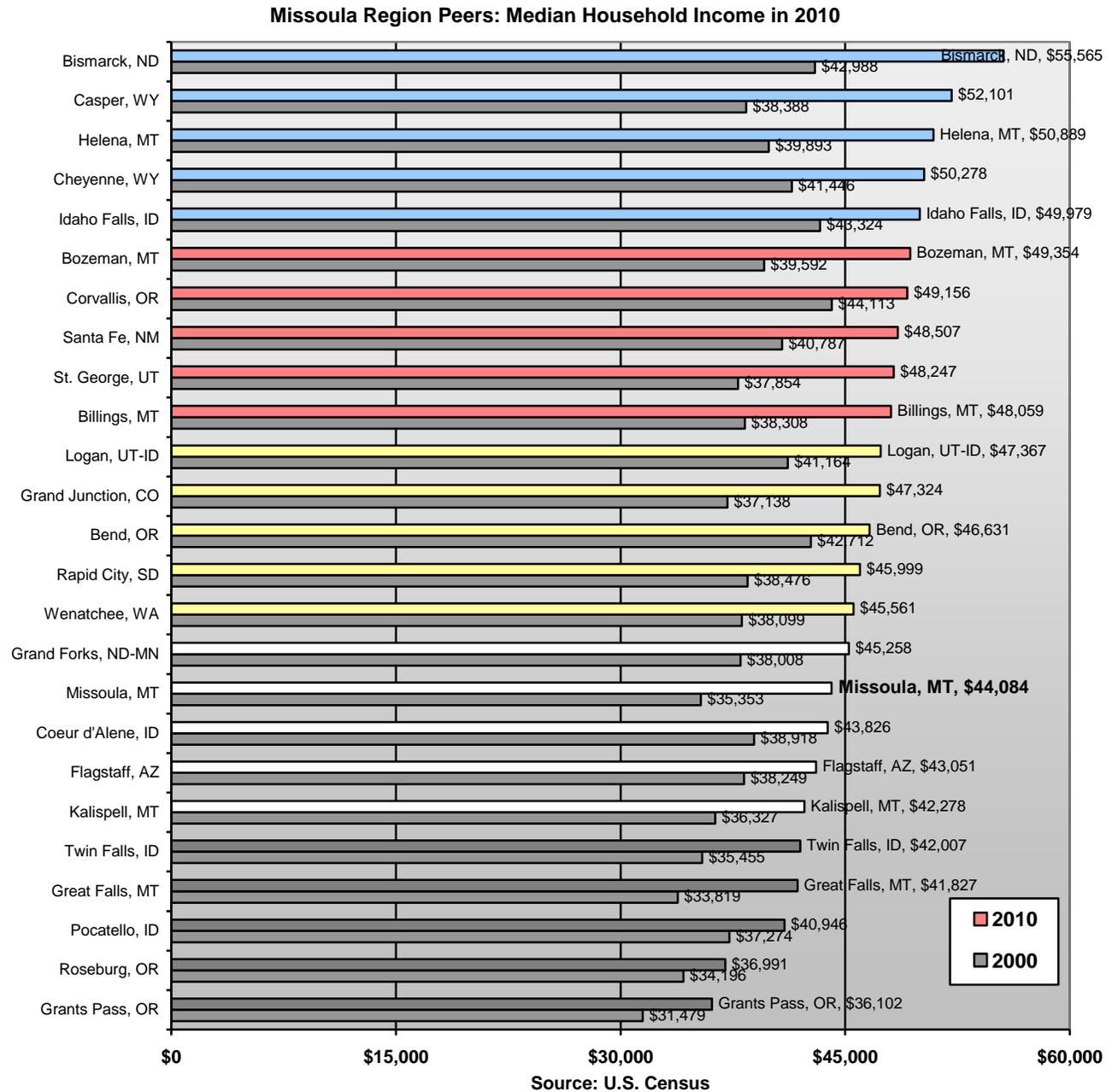
F. Median Household Income Comparisons for the 25 Region Peers

Median household income levels for the smaller set of 25 region peers for Missoula County are shown in the chart for both 2010 and 2000 (dollar amounts used in both are nominal or not inflation adjusted).

Missoula County ranked 17th among this smaller set of 25 region peers in 2010, but ranked 22nd in 2000 with a median household income then of \$35,353. So, while continuing to be ranked near the middle among these peers, Missoula County did rise in rank over this recent ten-year period, which is suggestive of relative economic improvement.

Montana places ranking higher than Missoula include Helena (\$50,889), Bozeman (\$49,354), and Billings (\$48,059). Ranking below Missoula's \$44,084 are Great Falls (\$41,827) and Kalispell (\$42,278).

Idaho Falls (5th), Bozeman (6th), and Logan (11th), all examined more closely in terms of their manufacturing, rank higher than Missoula in median household income. Flagstaff and Coeur d'Alene rank a bit lower than Missoula.



F. Comparisons of Poverty Rates for the 25 Region Peers

Poverty levels for the smaller set of 25 region peers for Missoula County are shown in the chart for both 2010 and 2000. In 2010 Missoula County ranked 15th among these with a poverty rate of 15%. Missoula's 2000 poverty rate of 13% ranked it 23rd among the 25 peers with only Grants Pass at 15.8% and Flagstaff at 15.6% having higher poverty rates than Missoula County. So, although Missoula's poverty rate rose from 2000 to 2010, going from 13% to 15%, its standing relative to peers rose from 23rd to 15th indicating poverty rose by more in many of these peers.

Twenty-four of the peers have higher poverty rates in 2010 than in 2000. Only Casper, WY, has a lower rate. Among peers having higher levels of performance in manufacturing than Missoula, Flagstaff ranks lowest with the highest poverty rate among all the peers (23.8%). Logan, which has stood out among these peers in its manufacturing growth and rising manufacturing specialization, also has high poverty (15.8%), up from 9.5%. Twin Falls has slightly higher poverty than Missoula. So, having more manufacturing specialization and employment does not necessarily make an area more economically prosperous using a number of

measures of area prosperity such as area poverty rates.

