

A Research Paper by



Economic Development in Lincoln, Montana



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ABOUT HEADWATERS ECONOMICS

Headwaters Economics is an independent, nonprofit research group whose mission is to improve community development and land management decisions in the West.

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I. INTRODUCTION

Lincoln, Montana is a town of roughly 900 nestled amid incredible scenic beauty and located within a 90-minute drive to three major Montana cities: Helena, Missoula, and Great Falls. In many ways, Lincoln is emblematic of Montana's earliest economic traditions: a rugged, outdoors-oriented small town with a multi-generational history of logging, mining, and agriculture.

Today, however, like many rural towns across Montana and the West, Lincoln faces economic difficulties. It is by no means alone in doing so. Rural western communities are grappling with the aftermath of long-term declines in traditional industries such as forestry and wood products manufacturing, and wrestling with how to compete in the sectors of the regional and national economy that are growing.

Current trends facing Lincoln—such as its shrinking population and rising median age—cannot be sustained. Fortunately, Lincoln possesses the resources that suggest the possibility of a brighter economic future. The town's assets include a local population that cares deeply about the community and place, an attractive landscape, a major Montana highway and high traffic volume, stable K-12 education, a finalized Travel Plan, the strong roots of cultural tourism, and an overall high quality of life.

Lincoln has a number of options when considering its economic future. This report, informed by interviews and public meetings with many Lincoln residents, outlines a number of ways to pursue local economic development. The report overviews Lincoln's current demographic and economic situation, compares Lincoln to several peer communities, and discusses the major economic trends facing rural western towns.

The report then turns to the challenges and strengths Lincoln possesses in the context of local economic development. This is followed by sections suggesting potential development options within different time frames—immediate-, short-, and long-term—for citizens to consider and potentially enact as steps toward an economic development plan for Lincoln. To help enable local efforts, this report also includes a list of possible grants and resources for Lincoln to pursue to help facilitate its economic development.

The final sections of this report are organized in a way to facilitate citizen discussion and prioritization. For Lincoln, economic development will be driven by local leadership and effort. This document provides some of the context, options, and resources to help Lincoln's citizens plan and move toward a more robust and sustainable economy.

Headwaters Economics, a Montana-based research group, cares deeply about the future of rural Montana and the West. Its mission is to provide effective research and tools to leaders and communities so they can better identify and solve problems. Headwaters Economics has worked with the Blackfoot Challenge, participated in numerous local meetings, and looks forward to continued engagement with Lincoln and its residents.

II. WHAT IS ECONOMIC DEVELOPMENT?

Generally speaking, economic development refers to efforts that help local businesses thrive and grow while also attracting additional businesses, visitors, and residents to the region. This includes activities designed to expand an economy through increased employment and local income as well as improvements to the quality of an economy such as higher earnings and greater economic resilience.

No single activity is sufficient to provide for long-lasting economic development, and approaches typically are tailored to local circumstances with some focusing more on reducing barriers while others emphasize capitalizing on new opportunities. This report discusses both barriers and opportunities.

Typical strategies for economic development at the local or regional scale include:

- Recruiting or attracting outside businesses, traffic, visitors, or residents;
- Improving access to larger markets;
- Incubating local businesses;
- Focusing on needs/opportunities of specific businesses or sectors;
- Providing building blocks that benefit all businesses—such as funding, coordination, or technical support; and
- Increasing the local quality of life to retain or attract people and businesses.

Different approaches to economic development are not mutually exclusive, and Lincoln should consider pursuing multiple strategies at the same time.

One important consideration is that Lincoln is doing quite well in terms of having a core of residents who are committed to the community and preserving the area's high quality of life. This quality sets Lincoln apart and gives it an advantage compared to other rural Montana communities. To this end, efforts to promote the region's quality of life—the small-town atmosphere, access to a wide variety of outdoor activities and range of services—should be part of any short- or long-term economic development.

Another essential ingredient of successful economic development is local prioritization. Lincoln first should agree on goals and benchmarks that can be used to measure progress and determine success.

III. LINCOLN DEMOGRAPHICS AND PEERS

Looking at published statistics on Lincoln’s demographics and economy, it can be difficult to screen out the interplay with other entities such as nearby Helena and Missoula. But while the bulk of economic activity is in these larger population centers, several reliable published statistics can help provide context for Lincoln today.¹

The U.S. Census Bureau’s American Community Survey provides data on sub-county geographies such as Lincoln. While not as robust as county-level data, the information offers a snapshot of current socioeconomics in smaller, rural communities and allows for a comparison between them as well.

In Lincoln, the Census Bureau estimates that the population in 2015 (the latest data available) was slightly fewer than 900, a decrease from roughly 1,100 residents in 2000. In addition, the median age was 53.9, an increase from 43.1 in 2000.

As Figure 1 on the next page shows, Lincoln’s older population, those 65 and older, held roughly steady from 2000 to 2015. The number of those in older middle age, ages 45 to 64, was the only age segment to increase, growing by 41 people since the turn of the century.

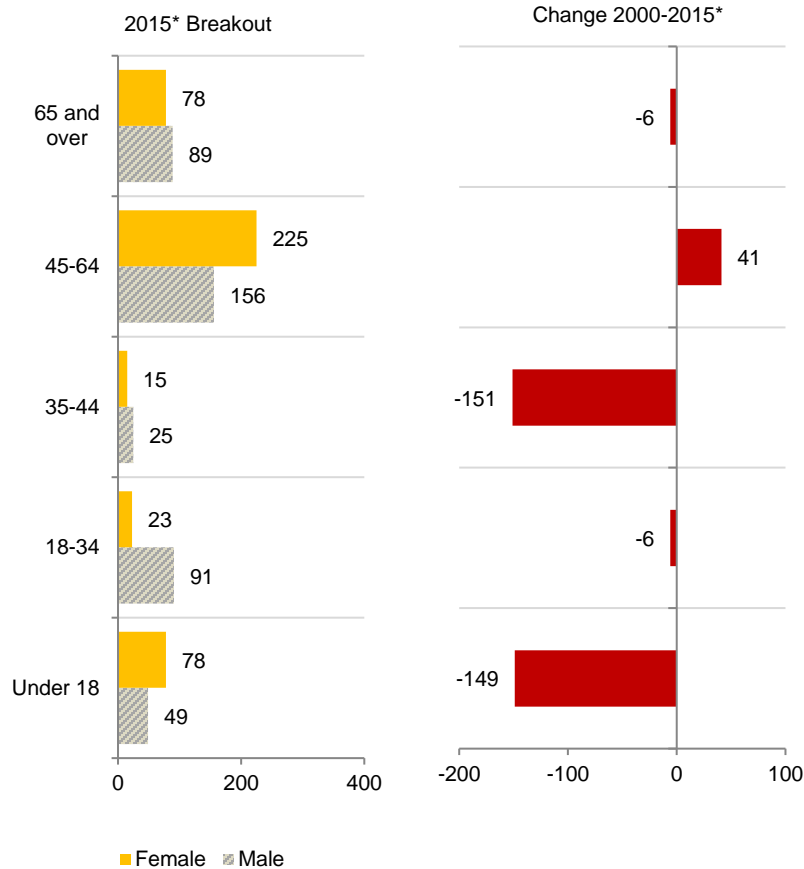
By comparison, the number of younger adults and families, those ages 35 to 44, dropped significantly in the years 2000 to 2015, declining by 151 people. Not surprisingly, given the decrease in family-aged adults, the number also declined, dropping by 149 during the same time period.

Young adults are leaving many rural towns for a variety of reasons, including the lack of high-quality local jobs and more robust economic opportunities elsewhere. This leaves an older demographic and fewer young families who have traditionally anchored communities.

Other demographic information for Lincoln, found in Table 1 on page 5, shows that 21 percent of families lived below the poverty line; 41 percent of homeowners and 52 percent of renters spent greater than 30 percent of household income on housing; and 13 percent of adults 25 years and older had a college degree.

¹For this report, we reviewed demographic information for Lincoln as a Census Designated Place, a category created by the U.S. Census Bureau that generally covers small, unincorporated communities across the country. Unless otherwise noted, data in this report come from regularly published federal socioeconomic performance measures generated by the Headwaters Economics Economic Profile System (EPS) which is available at : <https://headwaterseconomics.org/tools/economic-profile-system/about/>. The EPS report on Demographics is especially valuable for generating data and trends at sub-county levels.

Figure 1. Lincoln Population and Change by Age (2015) and Change 2000-2015



*2015 is a five-year rolling average compiled by the American Community Survey. Source: U.S. Department of Commerce. 2016. Census Bureau, American Community Survey, Washington, D.C.; and U.S. Department of Commerce. 2000. Census Bureau, Systems Support Division, Washington, D.C.

Table 1 on the following page compares Lincoln to peer communities as identified by local residents and reviews key demographic information: population change, median age, driving commute times, education obtainment, and family poverty.













Lincoln is one of the smaller population communities in this group but shares many similarities: population most often is flat or declining, the median age is high, and there are high levels of high school obtainment but lower percentages of those with a college degree. Family poverty in Lincoln is higher than in most of these peer towns.

Commuting data suggest that despite the smaller scale of these communities, they often are tied closely to the economies of the surrounding cities, such as Helena or Missoula. This proximity can be a double-edged sword as it results in considerable commuting for work and to retail

venues, quality health care, and airports. It also results in significant leakages of spending and talent to the surrounding cities, and difficulties sustaining local businesses.²

At the same time, considerable traffic moves from urban areas into and through Lincoln and the Blackfoot region, both for recreational and commercial purposes. This traffic represents an opportunity for Lincoln to capture revenue and increase business, although smaller communities to date have had limited success capitalizing on the significant volume of traffic moving through the area.

Table 1. Comparison of Lincoln and Selected Peers, 2015 American Community Survey Data

| Community | Population 2015 (Change since 2000) | Median Age | Commute (45-min. or more) | High School Education | College Education | Family Poverty |
|------------------------------|---|---------------|---------------------------------|--------------------------|----------------------|-------------------|
| Lincoln, MT | 829  | 53.9 | 10.1% | 94.0% | 12.7% | 20.8% |
| Big Fork, MT | 4,621  | 47.4 | 5.5% | 95.5% | 29.8% | 9.2% |
| Boulder, MT | 1,287  | 47.1 | 4.3% | 89.7% | 12.5% | 16.7% |
| Ft. Benton, MT | 1,349  | 58.2 | 7.2% | 92.3% | 20.8% | NA |
| Philipsburg, MT | 1,521  | 59.6 | 12.3% | 86.9% | 30.5% | 11.2% |
| Red Lodge, MT | 2,236  | 47.7 | 11.4% | 93.6% | 38.7% | 15.7% |
| Seeley Lake, MT | 1,081  | 55.3 | 5.3% | 89.0% | 32.2% | 11.6% |
| White Sulphur Springs, MT | 979  | 43.0 | 8.7% | 89.9% | 14.8% | 5.2% |
| McCall, ID | 2,955  | 43.7 | 1.5% | 97.3% | 43.7% | 20.0% |
| Potlach, ID | 792  | 35.7 | 16.6% | 92.0% | 16.6% | 22.3% |
| Wallace, ID | 781  | 43.6 | 11.4% | 85.8% | 16.4% | 19.9% |
| Georgetown, CO | 1,031  | 44.1 | 25.0% | 96.4% | 38.2% | 2.3% |

Source: U.S. Department of Commerce. 2016. Census Bureau, American Community Survey, Washington, D.C. U.S. Department of Commerce. 2000. Census Bureau, Systems Support Division, Washington, D.C. Some data NA-not available.

² For more information on the importance of access to markets, see: <https://headwaterseconomics.org/economic-development/trends-performance/three-wests-explained/>.

IV. TRENDS IN THE RURAL WEST

The economic challenges facing rural areas have been well documented. While the economic realities facing rural regions often are difficult, some rural areas are stable or even thriving. Today, rural westerners represent roughly a tenth of the region's population and smart investments and policies can help these areas improve production, economic vitality, and quality of life important to any community.

Compared to the nation, rural Americans are older, fewer have a high school degree, their health outcomes are lower, they often lack adequate access to social services such as hospitals and schools, life expectancy is dropping, job earnings are lower and more volatile, and a significant portion of rural counties face significant and persistent poverty.³

Some of the reasons for this include a broader transition from a commodity-based to services-based economy; the decline of wood products manufacturing; continued prominence of agriculture, though with fewer jobs; and the growth of largely lower-paying services industries. In addition, rural population centers often are remote from larger markets.

As a result, some rural and isolated areas are struggling to sustain population. They rely on employment concentrated in slow-growth or volatile sectors such as agriculture and oil and natural gas industries, and increasingly they depend on investment, medical (i.e. Medicare), and retirement income.

Some of these challenges have resulted from no fault of rural residents but simply because of the march of progress. According to one study, 88 percent of the loss of manufacturing jobs in the U.S. from 2000 to 2010 can be explained by labor-saving technology.⁴ As efficiency increases, the number of farmers, miners, or laborers needed to maintain production has shrunk. And in many cases, new operations such as larger and larger farms increase output while simultaneously shrinking the workforce.

The Economic Research Service of the U.S. Department of Agriculture has developed a county-level classification system based on counties' primary type of economic activity. In 2015, ERS reported that agricultural rural counties lost population the fastest. Manufacturing counties also struggled, and both public sector-dependent and non-specialized counties suffered with low wages and high poverty rates in the absence of robust private-sector activity.

In comparison, many rural counties with significant mining activity (which includes oil and natural gas) saw large population increases during the recent oil and natural gas boom (though numbers dropped in 2016). Recreation-dependent counties, usually near mountains, rivers, lakes or oceans, mostly experienced population increases and had the highest median incomes among

³ U.S. Department of Agriculture, Economic Research Service. <https://www.ers.usda.gov/topics/rural-economy-population/rural-poverty-well-being/geography-of-poverty.aspx>.

⁴ Hicks, M.J., Devaraj, S. 2017. The Myth and Reality of Manufacturing in America. Ball State University. Center for Business and Economic Research.

the different county categories.⁵ A recent study in Colorado had similar results, as tourism in rural counties contributed to faster growth.⁶

Today, only five percent of personal income in western rural counties comes from direct employment in resource extraction activities such as mining, energy, or timber. Another five percent is from direct employment in agriculture.⁷

By comparison, service industries that employ people in a wide range of occupations—from doctors and engineers to teachers and accountants—are driving economic growth and now make up the large majority of jobs in both metro and non-metro areas.

At the same time, non-labor income, which consists largely of investment and retirement income (such as retirement pensions, Social Security and Medicare, and investments), is the largest and fastest-growing source of personal income in the region. Non-labor income dominates money coming into both booming retirement communities and declining timber or mining towns where there is little other economic activity.

Overall, the economic sectors and businesses employing rural workers have changed dramatically. As a source of total personal income in 2015, government employment is 15 percent; service sectors such as health, engineering, and education are 28 percent; manufacturing, construction and agriculture are 10 percent; mining, energy, and timber are 5 percent; and non-labor income is 46 percent (all figures rounded).

Because of productivity increases and changing employment patterns, fewer rural workers have been needed in many communities, resulting in outmigration as workers and their families search for employment. Rural counties in the West, for example, on average are seeing an out-migration of school-aged children.⁸

These population decreases affect local services—schools, grocery stores, or doctors—which often no longer have a population base sufficient to continue operating in a town or county. The result can be a reinforcing negative cycle that drives down population, diminishes taxes to support schools or law enforcement, and results in fewer customers for local stores.

Some rural areas have been reliant for years on a single industry—often tied to a commodity such as grain, energy, or beef—or a specific export market for rural manufacturing. This lack of economic diversity can leave a rural community vulnerable to the challenges described above.

⁵ USDA, Economic Research Service Description and Maps: County Economic Types, 2015 Edition. <https://www.ers.usda.gov/data-products/county-typology-codes.aspx>.

⁶ Colorado Office of Economic Development & International Trade. 2016. Rural Economic Resiliency in Colorado: A Study in Factors Impacting Resiliency.

⁷ As footnoted earlier, all data in this report unless otherwise noted is from published federal sources and can be found at: <https://headwaterseconomics.org/tools/economic-profile-system/about/>.

⁸ For more discussion, see Headwaters Economics. 2017. Rural Communities, School Kids, and Federal Lands in the West. <https://headwaterseconomics.org/public-lands/protected-lands/school-kids/>.

In addition, it can place rural regions on a relative roller-coaster as commodity prices rise or decline, or export markets open or close based on outside factors such as the value of the dollar, international trade agreements, or competition.

Finally, many rural areas are struggling to attract capital, whether public or private, to invest in their communities to remain competitive. State and federal assistance has been declining in real terms for almost all programs important to rural areas—whether for roads, airports, federal payments to counties, education, communications, or rural hospitals.

Private sector investment tells a similar story. Some communities have attracted significant new projects such as a data center or call facility, but many areas are struggling to spur significant investment.

Yet, some rural communities can and do compete in today's economy. One key challenge is to reverse the brain drain where many younger rural residents are leaving for cities. Some western states, such as Utah and Wyoming, have initiated programs encouraging rural residents to return to their communities once they start raising families or are looking for more affordable cost-of-living options.

Rural advantages—whether tradition, way of life, lower costs, lighter taxes, or recreation opportunities—can help retain individuals, investors, or businesses. Rural manufacturing, for example, has declined in some rural areas of the West, but many success stories illustrate how businesses are growing and providing an important share of a town or county's employment.⁹

Many rural advantages also apply to attracting businesses or retirees, many of whom are looking to locate in safe, affordable, high-quality communities and landscapes. Their business, investment, and spending represents new money that circulates in a local economy and creates business opportunities in health care, retail trade, construction, and other sectors.

Within this larger context, each community has a different economic potential, and many rural economies—across the West and the nation—face headwinds as they try to sustain portions of their commodity past while creating and attracting jobs related to the modern services economy.

As a result, local economic strategies should be active and tailored to existing strengths and emerging competitive opportunities including workforce skills, proximity to larger markets, and the range of uses for natural resources.

⁹ For more discussion, see: Headwaters Economics. 2017. The Changing Role of Manufacturing in the U.S. and Insights for the Rural West. <https://headwaterseconomics.org/economic-development/trends-performance/changing-role-manufacturing/>.

V. LINCOLN'S CHALLENGES AND OPPORTUNITIES

Lincoln's situation is similar to that facing many small towns across Montana and the West. The discussion below follows from analyzing socioeconomic data for Lincoln, and from numerous conversations with community leaders and three public meetings. While its difficulties are significant, Lincoln has many of the resources—whether access to cities or incredible natural amenities—needed to spur desired economic development.

Challenges Facing Lincoln

Lincoln's population has been slowly declining and aging and many younger families struggle to remain in the region. In addition, providing adequate health care and services, especially to older persons, has been a challenge and Lincoln's poverty rate is higher than many peer communities. Lincoln's workforce has a strong high school graduation rate, but fewer of its adults have a college degree compared to similar communities. Also, residential and commercial real estate remains a difficult issue with a large share of both homeowners and renters spending more than 30 percent of their household income on housing.

Lincoln is similar to rural communities in other ways as well. Its base of volunteers—those who organize events, make calls, serve on the school board, fire department, and many other necessary endeavors—is overworked and near exhaustion.

State and federal funding for rural development projects such as those in Lincoln is almost certain to decline in future years, and the need for Lincoln to either recruit additional volunteers, prioritize efforts at a community level, or pursue both options is crucial to Lincoln's future development.

The recent unpredictability of winters has resulted in declines in snowmobiling, for example, and hindered the local economy. Also, many residents identify the lack of hospitality capacity—such as a convention or community center—as a restricting factor on overnight stays and events that could be held in Lincoln year-round.

Another volatile factor is commodities. Like tourism, agriculture and timber can see strong swings in pricing and activity levels, greatly impacting the local economy and surrounding areas.

Finally, while the highway through Lincoln generates significant traffic, its current configuration, such as the lack of sidewalks or a stop light, means that Main Street is not as attractive as it could be for visitors and does not encourage people to visit or stop. Addressing these issues—whether through signage, street lights, pedestrian safety, or traffic control—will take time and concerted effort to work with the Montana Department of Transportation and others.

Lincoln's Opportunities

Lincoln has the opportunity to greatly improve its branding and identity across Montana and the West in a way that attracts tourists, spending, businesses, and jobs. Lincoln's location—its proximity to some of Montana's best public lands, trails, recreation, and backcountry within a reasonable drive of three large population centers—gives it competitive advantages that are accessible to everyone.

First, the town's setting, K-12 school, and many other factors give Lincoln a small-town atmosphere and charm that is attractive to many tourists, repeat visitors, and people who may settle there. In addition, Lincoln already has many well-established tourism draws such as the Continental Divide Trail for hikers and bikers and many summer events and festivals.

Second, while Lincoln currently may wish that it captured more of the existing traffic on Highway 200, the traffic volume most certainly will continue and presents an enduring opportunity. In addition, the 90-minute-or-less driving time to three of Montana's larger cities creates opportunities on several fronts, whether to improve access to the cities for workers and businesses now in Lincoln, to induce businesses to locate in Lincoln, or to increase tourism and other spending in Lincoln by residents from these nearby metro centers.

The third clear advantage for Lincoln is the region's spectacular landscape and wide array of public lands, trails and users. The recent completion of the Forest Service Travel Plan, for example, provides certainty to both local businesses and tourists—most likely a 20-year planning window for local entrepreneurs to plan and invest in how best to promote Lincoln and its outdoor recreation opportunities.

Today, federal lands continue to provide natural resources for commodity sectors, but also offer recreational opportunities, natural amenities, and scenic backgrounds that stimulate migration, drawing entrepreneurs and attracting a skilled workforce across a range of industries. High-performing communities with nearby federal land generally have capitalized on this asset in multiple ways.

The Forest Service also has been a willing and involved partner, whether coordinating with local businesses to facilitate wildfire suppression spending, initiating restoration activities, or working with Lincoln's sculpture park on hosting events.

Lincoln also has a number of areas where it can grow. The Sculpture in the Wild, artists in residence programs, and educational tours, for example, have made Lincoln a destination in ways that did not exist just several years ago. Furthermore, growing efforts to promote the recent addition of public river access will help grow and diversify the town's ability to attract tourists, business visitors, and potential new residents.

Finally, Lincoln has an opportunity to attract people, businesses, or retirees who often are looking for safe, high-quality communities and landscapes. Appealing to retirees, for example, could help attract health care or other services, and their additional spending would circulate in the community and impact a number of sectors.

VI. SUGGESTIONS AND NEXT STEPS

Today, the economic status quo often is not favorable for many rural Montana towns. Reversing this trend will take time, prioritization, and effort—especially for small towns like Lincoln that have limited resources, capacity, and volunteer time. That said, numerous opportunities exist for Lincoln to build on what it has now, emphasize existing strengths, and work on efforts most likely to succeed and show results. Many of these strengths exist in the community: commitment, tourists, business visitors, and incredible natural amenities that Lincoln enjoys.

Lincoln and the opportunities it provides for recreation, business, or retirees may be one of Montana's best kept secrets. Going forward, economic development should be designed to promote and build interest in Lincoln. In the short run, Lincoln should work toward increasing the number of visitors to the community. Stated another way, Lincoln should take advantage of its desirability as a place to visit or live to help create a broader range of industry diversity.

Certainly, in the absence of a major resort and tourism development, tourism by itself is unlikely to resolve all the economic challenges facing Lincoln, but tourism can be used as a stepping stone toward development of other sectors of the economy.

Places with attractive natural amenities and high tourism rates have a distinct advantage. As people visit and get to know a place, some decide to visit more often and a few may enjoy the region enough to move their families and businesses. Areas with better travel and communication infrastructure tend to be more successful capturing these new residents and location-independent businesses. Continued efforts and investments in internet access and speeds, for example, are likely to result in at least some of these types of benefits.

Retirees also are looking for friendly, attractive places to live. As discussed earlier, non-labor income is the largest and fastest growing portion of personal income in the rural West. Even a small number of retirees from elsewhere can support the expansion of area businesses. This could help to retain or attract elderly residents who would otherwise have to leave when they could no longer meet their health care needs locally—solving a major spending leakage in the existing economy.

A variety of approaches can capitalize on tourism and help promote broader economic development. These include: creating new and increasing the visibility of signature attractions; promoting tourism and looking to translate visitation to residency; appealing to people who can work remotely and owners of location-independent businesses on the basis of quality of life; and reaching out to retirees and meeting the needs of existing retirees.

By connecting people and place, tourism also provides a bridge to broader economic growth and diversification for rural areas off the beaten path. Today in the West, a range of people—including workers, business owners, and retirees—are moving to high-quality rural locations.

One critical issue is the need for manpower and for prioritizing development projects. Many Lincoln volunteers, like those in rural towns across the West, are on the edge of existing capacity and are exhausted from the tremendous work needed to keep a community operating.

Going forward, a community-led effort to rank and arrange projects will help maximize the efficient use of existing resources and identify additional skills or funds most needed for the success of future economic development plans.

There are several potential ways to expand local resources and capacity:

- Lincoln could seek a VISTA volunteer for a year or even six months. The Americorps Program (Corporation for National Service) embeds members in communities (often with nonprofits or charities), but VISTA program participants also can work with local governments. Such assistance, with proper direction and prioritization, could help Lincoln apply for state and federal grants, complete paperwork, coordinate local volunteers, contact businesses, or work with other governments such as Lewis and Clark County or the Montana Department of Tourism.¹⁰
- A related approach would be to ask a charitable foundation, or several foundations, to pool resources to fund a part- or full-time position to help Lincoln secure funding and help implement priorities. Such a position could be shared by several communities in the Blackfoot region.¹¹
- Lincoln also should make use of county, state, and federal grant writers to identify and help apply for grants such as for Main Street beautification or trail enhancements.¹²

Example of Success

White Sulphur Springs recently secured grant funding, including the Treasure State Endowment Fund, for water and sewer work. To facilitate this effort the town coordinated with both the Governor's office as well as Senator Jon Tester's office for assistance. White Sulphur Springs also organized private fundraising for new street lamps along its Main Street and several businesses voluntarily updated their storefronts and signage.

The next three sections suggest a variety of actions for Lincoln to consider as steps toward a broader economic development plan. The suggestions are based on what other communities have done to promote economic development. It is not meant as an exhaustive or full list and Lincoln residents may opt for other worthwhile activities or modifications to this list.

The steps are organized by timeframe—immediate, medium, and long-term—and into tiers within each time frame.

¹⁰ See the “Appendix: Resources Worksheet” at the end of this report for more information.

¹¹ Another option would be coordination between local businesses and a university extension service. See this example from Scranton, Pennsylvania: Non-Profit Quarterly. A Public-Private Partnership Helps a Struggling Rust Belt City, <http://thetimes-tribune.com/news/nonprofits-pay-for-consultant-to-continue-advising-scranton-on-finance-1.2140439>. January 11, 2017.

¹² A Really Good Thing Going: White Sulphur Springs Celebrates Five-Year Revitalization Campaign. Helena Independent-Record, http://helenair.com/business/a-really-good-thing-going-white-sulphur-springs-celebrates-five/article_073e34c7-155d-5a35-a4b6-822f6a20ac9f.html. October 29, 2016.

Immediate Term

First Tier

- **Branding Lincoln as a Gateway Community:** Establish a clear brand for Lincoln. This could expand on existing efforts such as the Base Camp approach or others. A key would be to establish a coordinated message, targeted outreach, possible media tours, budget, timeframe, and other metrics to measure results and efficacy.
- **Brochures/Maps:** This effort would start with those already stopping in Lincoln with the goal of enhancing visitor experience and providing a reusable brochure/map (on reasonably high quality print stock) that can be used in subsequent visits or shared with others. Methow, Washington is an example of an unincorporated community that leveraged its outdoor recreation opportunities, starting with cross-country skiing and related maps and promotional materials, into broader economic development.
- **Main Street:** This is the first impression most visitors have of Lincoln. In addition to long-term discussions with the Montana Department of Transportation, consider private efforts to enhance lights or signs, other street beautification, or ways to better capture traffic. Main Street is a high-priority item for all phases of possible action items. A good example is the work that Philipsburg has done on its Broadway Street since the community went through several economic downturns in the 1970s. Another example is West Yellowstone, which used a local option sales tax (designed to target tourists by exempting food, clothing, medicine and similar goods) to pay sidewalk and street improvements.
- **Expand and Promote Cultural Tourism:** The successful and expanding Sculpture in the Wild, visiting artist programs, and the Matt King house all are interesting to tourists. Montana, for example, only has two major outdoor sculpture attractions in the state, one of which is on the edge of town, helping to differentiate Lincoln from other Montana communities.
- **Integrate:** Coordinate the above branding and map efforts with county officials and the state tourism office. The state, for example, could help co-brand Lincoln as a gateway to recreation or as a worthwhile stop on the way to Glacier National Park.
- **Coordinate Internally and Market Events:** Work to ensure that all nearby and Lincoln-related events are placed on one web-based calendar, updated often, and marketed to Montana media and other outreach sources.
- **Continue to Enhance Web Page:** Continue efforts to enhance/expand the community web page. In addition to standard photos, calendar, links, maps, and suggestions, one possible example would be for Lincoln to start an email distribution list that's sent monthly with upcoming events.

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- **Enhance and Promote Trail User Amenities:** Improvements to the campground, showers, signs, and related efforts are coming this summer. Promote the “grand opening,” monitor user satisfaction, and consider possible additional perks such as shuttle rides to trailheads from town.

Second Tier

- **Expand Marketing:** In addition to providing brochures/maps to Lincoln visitors, expand efforts to include the three surrounding Montana cities. In addition to brochures, such work could include media outreach, newspaper inserts, billboards, and other activities. Social media could include an enhanced Lincoln Facebook page, reviews on biker and trail-user blogs in addition to TripAdvisor, or photo tours on Flickr, Panoramio, and other photo sites.
- **Shoulder Season:** Plan now for potential expansion of events into the shoulder seasons of Spring and Fall 2018 such as a raptor festival. Other communities, such as Bozeman, have created fall birding and raptor events that bring in hundreds of visitors.
- **Community Foundation:** Complete the study of a possible community foundation. These entities, such as the one in Seeley Lake, serve a defined geographic area. Potential benefits include the ability to use a foundation’s tax status to attract individual and foundation donations and gifts; eligibility to apply for government programs, grants or loans; and the ability to “re-grant” funds.

Medium Term

First Tier

- **Coordinate with Blackfoot Challenge and Other Nearby Communities:** Once Lincoln has had time to promote its own identity, efforts to promote the greater region may be beneficial. Tourists, for example, could be encouraged to make a “loop” or “driving tour” of the region with stops in several towns. Montana has similar examples with Lewis and Clark tours or branding “Charlie Russell Country” for the center part of the state.
- **Outdoor Education Expansion:** Coordinate with the school system to expand programs which could help attract teachers, expand existing trails or outdoor offerings open to the general public in addition to the schools, and create interest for families with school-age children.
- **Improve Access:** Start a wide variety of public access improvements ranging from sidewalks in town, to improved river signage, and more trails originating from town.

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- **Measure and Test What Works:** Resources are tight so simple surveys of visitors to measure the impact of promotions will stretch funding as outreach is repeated, retargeted, and potentially expanded within Lincoln and nearby cities. Promotions or web advertising, for example, could be tracked to test effectiveness.
 - **Commodities:** Engage and work with the Forest Service and other agencies to promote forest restoration and thinning, wildfire suppression work, and harvesting. Local efforts already are ongoing here, and the forest plan revision process is an important opportunity as well. There also may be an opportunity to expand local work. Congress is considering changes to the Farm Bill, for example, that would allow rural communities and counties to retain a portion of restoration activities.

Second Tier

- **Coordinate Projects with Local and State Officials:** Develop a priority “wish list” to ask assistance from county officials, state legislators, and the Governor for specific projects. Main Street improvements, as an example, could be a priority request to the county. Or Lincoln might prioritize outreach to local state senators and representatives to support a specific project—say road improvements or trail signage—in an infrastructure bill in the next Legislative session.
- **Commuting to Helena:** Enhance transportation to Helena, either daily round-trips or a several-day regular schedule to improve access to work, health care, and other services. Transportation expenses often are some of the highest costs for rural families, and expanding pooling or ride-sharing could save money and time.
- **Broadband:** In addition to commuting, work with local cell and line providers to continue coverage improvements (see sidebar on the following page). Areas with better travel and communication infrastructure tend to attract more new residents, location-independent businesses, and retirees. Continued efforts and investments in transportation as well as internet access and cellular telephone infrastructure, if successful, are likely to result in at least some of these types of benefits.
- **Convention Center or Hall:** Study the feasibility—costs, loans, payment schedules, incentives, etc.—of a potential convention or community center or hall to attract tourists and business meetings.

Lincoln and Bandwidth Speeds

High speed broadband is essential for communities to grow, diversify, and retain existing businesses. Almost every aspect of a modern economy depends on high-speed online access whether it's education, public safety, health care, retail trade, or high-tech industries.

While Lincoln's wireless coverage is similar to national averages, the wireline upload and download times lagged behind. Figure 2 shows that Lincoln, the darker line, lags behind U.S. averages for all but the first category.

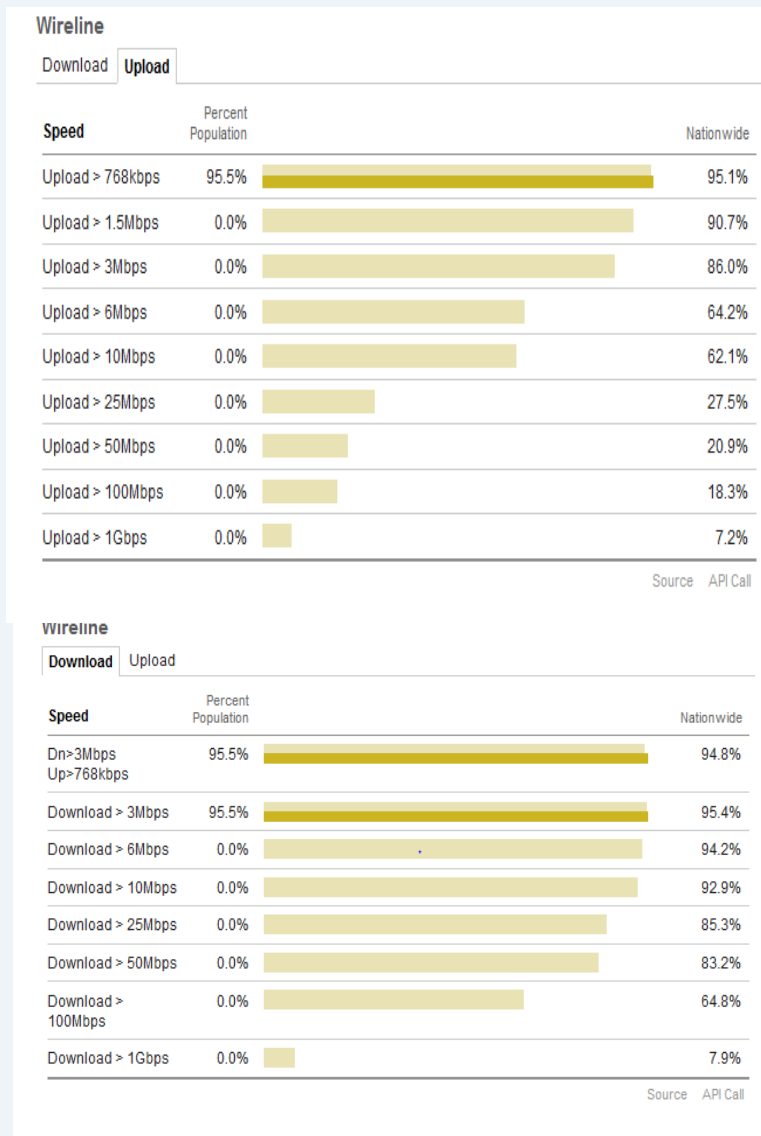
Plans to upgrade this infrastructure are important for the community's long-term health.

The Federal Communications Commission has estimated that the demand for bandwidth is doubling every two years and that the typical bandwidth needed by business will exceed 50 Mbps.

Factors driving this increased demand include: the growing importance of the internet to the U.S. economy (currently accounting for 21% of GDP growth in the last five years); more video teleconferencing as travel becomes more expensive; an increase in the number of teleworkers; and the growth of video use on the internet.

Source: National Broadband Map, <https://www.broadbandmap.gov/>. Speeds reported are as of June 30, 2014.

Figure 2. Broadband Wireline Upload and Download Speeds for Lincoln, Montana (dark bars) Compared to the United States (light bars), as of June 30, 2014.



Longer Term

These longer-term efforts are combined into one section as all will require sustained, multi-year work.

- **Housing:** Explore federal funding, often through the state housing board or federal assistance, to increase residential or commercial construction.
- **Accessing Markets:** In addition to Helena, evaluate whether it's practical to facilitate commuting to Missoula or Great Falls.
- **Visit and Stay Programs:** With promotion of Lincoln underway, initiate efforts to market the area's high quality of life as an economic and social benefit. Part of such an outreach would include targeting business owners when they first come to the region as tourists. Such outreach would encourage "visit and stay" situations where workers, employers, or retirees visit Lincoln, enjoy their stay, and decide to invest in or move to the community. Some of this work can and must come from local officials and business leaders who make a consistent effort to promote the opportunities and advantages of Lincoln relative to Montana and the West.
- **Health Care:** Explore grants or incentives to provide for local health care through a doctor or nurse practitioner, along with drug prescription services. Or, perhaps a hospital in Helena or Missoula, for example, could provide for a doctor to visit Lincoln several times weekly.
- **Assistance for Seniors:** Maintain and expand services through the senior center to include home visitations, assisted living programs, and meals.
- **Business Zones/Park:** Work with the county, and possibly state, to establish and promote a commercial zone to expand or attract businesses. Incentives could include taxes (such as New Market Tax Credit), infrastructure, or reduced timelines for regulatory approval.
- **Return Home Programs:** Other western states have "return home" programs (such as "Wyoming Grown") that provide incentives to encourage families, workers, or entrepreneurs who left rural communities to return.
- **Airport:** Study whether increased airport services are economically viable. This is a much longer-term item given the proximity of three larger Montana airports.

VII. DISCUSSION / SUMMARY

The current trends facing Lincoln—such as its shrinking and aging population—cannot be sustained. Reversing this trend will take time, prioritization, and effort—especially for small towns like Lincoln that have limited resources, capacity, and volunteer time. Although Lincoln faces future economic hurdles, it fortunately possesses the resources that suggest the possibility of a brighter economic future.

Lincoln can greatly improve its branding and identity across Montana and the West in a way that attracts tourists, spending, businesses, and jobs. Lincoln’s location and its established tourism draw—its access to some of Montana’s best public lands, trails, recreation, and backcountry within a reasonable drive of three large population centers—gives it a lasting competitive advantage while providing opportunities to grow and expand.

No single activity is sufficient to provide for long-lasting economic development, and different approaches to economic development are not mutually exclusive. Moving forward, Lincoln should consider pursuing multiple strategies at the same time.

Such efforts should be designed to promote and build interest in Lincoln. In the short run, Lincoln should work toward increasing the number of visitors to the community. Places with attractive natural amenities and high tourism rates have a distinct advantage, and Lincoln should take advantage of its desirability as a place to visit or live to build toward the greater development of other sectors of the economy.

A variety of approaches can capitalize on tourism and help promote broader economic development that attracts individuals, businesses, or retirees. Approaches include creating new and increasing the visibility of signature attractions; promoting tourism and translating visitation to residency; appealing to people who can work remotely and owners of location-independent businesses on the basis of quality of life; and reaching out to retirees and meeting the needs of existing retirees.

One critical issue is the need for more volunteer time and for prioritizing development projects. Many Lincoln volunteers, like those in rural towns across the West, are on the edge of existing capacity and are exhausted from the tremendous work needed to keep a community operating.

Going forward, a community-led effort to measure and rank projects will help maximize the efficient use of existing resources and identify additional skills or funds most needed for the success of future economic development plans.

VIII. APPENDIX: RESOURCES WORKSHEET

| Type | Description | Contact | Links | Additional Resources |
|---------|---|--|---|---|
| General | Lewis and Clark County: Grants coordinator keeps tabs on the needs of the community and helps find funding to make sure the county is better able to address those needs. The grants coordinator's main functions are to track potential grant opportunities, to assist with the grant application process, and to assist with grant administration. | Grants Coordinator Laura Erikson, 316 North Park Ave. Room 317, Helena, Montana 59623, 406-447-8383; email lerikson@lccountymt.gov | https://www.lccountymt.gov/admin-finance/grants-coordinator.html | |
| General | Governor's Office of Economic Development | State Capitol, Office 234, Helena, MT, 59620, 406-444-5634, http://business.mt.gov/About | http://business.mt.gov/ | |
| General | Montana Office of Tourism and Business. Operates tourism grants, joint ventures, and niche marketing grants. | Sean Becker, Division Administrator, 301 South Park Ave, Helena, MT 59620, 406-841-2707 http://marketmt.com/MissionLeadership | http://marketmt.com/ | |
| General | Montana Community Development Division. Helps with construction of public facilities, housing, and land use planning assistance. | 301 S Park Ave, Helena, MT 59620, 406-841-2770 | http://comdev.mt.gov/AboutCDD | |
| General | U.S. Senators | Jon Tester, Capital One Center, 208 N Montana Avenue, Suite 202, Helena, MT 59601, 406-449-5401 | https://www.testers.senate.gov/?p=offices | |
| | | Steve Daines, 30 W 14th St #206, Helena, MT 59601, 406-443-3189 | https://www.daines.senate.gov/ | |
| General | MBAC is an "Economic Development District" to work with Lewis and Clark, Broadwater, Jefferson, and Meagher counties. It mentors businesses and provides advice on private and public capital resources. | Montana Business Assistance Connection, Brian Obert, 225 Cruse Avenue, Suite D, Helena, MT 59601, 406-447-1510 | http://www.mbac.biz/ | http://www.mbac.biz/wp-content/uploads/2016/04/Helena_Region_CEDS_2014.pdf |

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| VISTA/Corp. for National and Community Service | Public, private, or faith-based nonprofit organizations as well as local or state agencies can become an AmeriCorps VISTA sponsoring organization. | Jacqueline Girard, 208 N Montana Ave, Suite 206, Helena, MT 59601, 406-449-5404, mt@cns.org, https://www.nationalservice.gov/about/contact-us/state-offices/Montana | https://www.nationalservice.gov/programs/ameriCorps/ameriCorpsvista/sponsor-vista-project | |
| USDA | Rural Business Development Grants: Competitive grants designed to support targeted technical assistance, training, and other activities leading to the development or expansion of small and emerging private businesses in rural areas that will employ 50 or fewer new employees and have less than \$1 million in gross revenue. | Janelle Gustafson, Acting State Director, 2229 Boot Hill Court, Bozeman, MT 59715, 406-585-2580, https://www.rd.usda.gov/contact-us/state-offices/mt , or https://www.rd.usda.gov/mt | https://www.rd.usda.gov/programs-services/rural-business-development-grants | https://www.rd.usda.gov/files/fact-sheet/RD-FactSheet-RBS-RBDG.pdf |
| USDA | Community Facilities Loans/Grants: Can be given to public bodies or community nonprofit to purchase, construct, or improve facilities related to health care, public buildings, community centers, education/arts, or utility services such as long-distance health or learning equipment. | Janelle Gustafson, Acting State Director, 2229 Boot Hill Court, Bozeman, MT 59715, 406-585-2580, https://www.rd.usda.gov/contact-us/state-offices/mt or https://www.rd.usda.gov/mt | https://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program/mt | |
| USDA | Rural Economic Development Loan/Grants: Available to utilities to pass through to local projects as zero percent loans to build facilities, buy equipment, or start-up costs | Janelle Gustafson, Acting State Director, 2229 Boot Hill Court, Bozeman, MT 59715, 406-585-2580 https://www.rd.usda.gov/contact-us/state-offices/mt , or https://www.rd.usda.gov/mt | https://www.rd.usda.gov/programs-services/rural-economic-development-loan-grant-program | https://www.rd.usda.gov/files/fact-sheet/RD-FactSheet-RBS-REDLG.pdf |
| USDA/Citizen Institute for Rural Design | CIRD: Holds a limited number of workshops annually with towns and small cities to improve local design, planning and creative place-making to help local economic development. | Has a FAQ, http://www.rural-design.org/frequently-asked-questions ; and contact form: http://www.rural-design.org/contact | http://www.rural-design.org/about | |
| NEA | Our Town Grants: Supports efforts to incorporate arts, culture, and/or design into community revitalization work. | See link for details, agency communicates through email: OT@arts.gov, and https://www.arts.gov/grants-organizations/our-town/contacts | https://www.arts.gov/grants-organizations/our-town/introduction | |

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|---------------------------------|---|---|---|---|
| EPA | Smart Growth: Programs -- variety of grants and programs focused on main streets, pedestrians, and planning. | Office of Sustainable Communities, US Environmental Protection Agency, 1200 Pennsylvania Avenue NW, Washington, DC 20460, 202-566-2878 smartgrowth@epa.gov and https://www.epa.gov/smartgrowth/forms/contact-us-about-smart-growth | https://www.epa.gov/smartgrowth/smart-growth-small-towns-and-rural-communities | |
| Tax Credit | New Market Tax Credits: Provided through regional or state community development groups. | Example: Montana/Idaho CDC, 229 E. Main St. Missoula, MT 59802, 844-728-9234, https://mtcdc.org/about-us/staff/ | https://mtcdc.org/loans/new-markets-tax-credits/ | https://www.cdfifund.gov/Documents/NMTC_Fact_Sheet_Mar2017.pdf |
| Montana Infrastructure Programs | Treasure State Endowment Program: Designed to help address the "affordability" of local infrastructure projects by providing grants to lower the cost of constructing public facilities. | Community Development Division, State of Montana, 301 S Park Ave, Helena, MT 59620, 406-841-2770 | http://comdev.mt.gov/programs/TS EP | |

