

BUTTE.
ELEVATED.
MONTANA



Tap Into Butte's
OPPORTUNITY ZONE



TABLE OF CONTENTS:

ABOUT OPPORTUNITY ZONES

- Butte Background
- Overview of Jobs Act
- How Opportunity Zones Work
- Tax Incentives
- Basic Structure
- Advantages

COMMUNITY PROFILE

- Background
- Education
- Workforce
- Infrastructure
- Contact

DEVELOPMENT IN BUTTE

- Investing in Butte
- Butte's Opportunity Zone
- Urban Revitalization Agency
- Economic Development Districts
- Key Projects in the URA & TIFID
- Industrial Development
- Current Incentives & Programs
- Current Projects Ready for Development
- Key Partners



Butte, Montana

IS MONTANA'S METROPOLIS, A
UNIQUE CITY WITH THE
PERFECT BALANCE OF SMALL
TOWN AND BIG CITY CULTURE.

In Butte, we are a community full of economic possibilities! There's an energy in Butte invigorating, strengthening, and inspiring innovation and entrepreneurship. We have a strong sense of culture and place, focused on the importance of advancing our community and local businesses.

Butte-Silver Bow is a community dedicated to growing its current businesses and helping new enterprises come to life. Our community is excited about the future. We are working diligently to diversify our economy and look forward to continuing our mission of new development and increased growth.

A community of over 34,000, Butte is nestled atop the majestic Rocky Mountains offering residents spectacular vistas and unparalleled quality of life. Butte, Montana brings the Rocky Mountains to your front door. Butte, Montana is the geographic and economic center of Southwest Montana, a region of 82,590 residents and is located at the intersection of interstates 90 and 15.

INVESTING IN OPPORTUNITY ZONES



OPPORTUNITY ZONES WERE CONCEIVED AS AN INNOVATIVE APPROACH TO SPURRING LONG-TERM PRIVATE SECTOR INVESTMENTS IN ECONOMICALLY AFFECTED URBAN & RURAL COMMUNITIES.

About Butte's Opportunity Zone

Silver Bow County Census Tract 1 has been designated an Opportunity Zone by the U.S. Treasury. This designation presents a unique opportunity for development by providing federal tax incentives for the reinvestment of unrealized capital gains. These incentives are in addition to those currently offered on a state and local level.

What is an Opportunity Zone?

An Opportunity Zone is an economically-distressed community where new investments, under certain circumstances, may be eligible for preferential tax treatment.

This map identifies the Opportunity Zone boundary with several of Butte's major institutions.





BASIC STRUCTURE OF OPPORTUNITY ZONES

In Butte, Montana Opportunity Zones are comprised of bustling technology centers and locally-owned business expansion, innovative business incubators, landmark downtown mixed-use development, and growing regional energy and infrastructure development.

- Taxpayers can receive capital gains tax deferral for making timely investments in a Qualified Opportunity Fund (QOF). These funds are then invested in Qualified Opportunity Zone (QOZ) properties.
- The vision is that Opportunity Zone (OZ) financing will spur redevelopment leading to job and individual wealth creation in targeted areas that have not seen significant development.
- Opportunity Zones do not undo current tax laws. They add another layer/tool to encourage local redevelopment projects – much like Low Income Housing Tax Credits (LIHTC), New Markets Tax Credits (NMTC), Historic Tax Credits, and Renewable Energy Tax Credits.

Tax Benefits

OF OPPORTUNITY ZONES

The tax benefits can be broken down into three areas:

CAPITAL GAIN DEFERRAL:

Qualified Opportunity Fund (QOF) investors may defer gains realized upon the sale or exchange of property if the gain proceeds are reinvested within 180 days into a QOF.

PARTIAL FORGIVENESS:

Basis of the QOF investment increases by 10% of the deferred gain if held for 5 years from the date of reinvestment, and an additional 5% after 7 years for a total of 15%.

FORGIVENESS OF ADDITIONAL GAINS:

Any appreciation on investments in QOF that are held for at least 10 years are excluded from gross income – therefore, if held for 10 years, any gain on the investments is tax free.

Investing in Butte

OUTSTANDING BUSINESS ENVIRONMENT

Our designated opportunity zone in Butte encompasses our central business district and includes numerous strategic investment opportunities. These include the future home of a world-class medical training facility, numerous historic buildings and a distinct urban feel that is unique throughout the west. Along with the investment potential of the Butte opportunity zone additional grant funds are available to incentivize projects in the zone including Brownfields Assessments, Urban Revitalization Agency as well as numerous workforce incentives.

WHY INVEST IN BUTTE?

- A highly educated and talented workforce
- Top ten engineering college specializing in STEM disciplines plus an award-winning Highlands College of Montana Tech
- Public and private high schools that have been named among the best high schools by US News Education
- Butte is home to many diverse corporate, regional and international business headquarters
- Favorable tax climate for business, and no sales tax
- Butte has a superb and affordable quality of life



Development in Butte

TAX INCREMENT DISTRICT

Uptown Butte is characterized by densely developed streetscapes of late nineteenth and early twentieth century architecture. Multi-story commercial buildings, boarding houses, worker cottages and apartment dwellings huddle together with steel headframes and other mining structures, remnants of deep copper mining activity. In combination, these elements create a uniquely urban center in what is otherwise an essentially rural region.



Development in Butte

KEY PROJECTS IN THE OPPORTUNITY ZONE

While Butte's Opportunity Zone has seen lots of economic ups and downs, one thing that has remained constant is Butte-Silver Bow's (BSB) commitment to the revitalization of the area. BSB has utilized a provision in Montana Code Annotated called Urban Renewal. This law allows the local Revitalization Agencies to use private and public resources to: eliminate and prevent the development or spread of blighted areas, encourage needed urban rehabilitation, and initiate feasible municipal activities to achieve the objectives of the program including but not limited to land-use provisions, public improvements, rehabilitation requirement and urban design controls.

Butte-Silver Bow also utilizes Tax Increment Financing (TIF). TIF is the amount of tax collections due from a taxable value of property within the designated district, which over and above the base taxable value as established in the year the tax increment provisions were adopted. Broadly defined, TIF is a method of using private redevelopment to support public redevelopment, thereby making more private investment possible.

The Opportunity Zone has seen numerous private catalytic projects. The zone is home to:



WATER & ENVIRONMENTAL TECHNOLOGIES (WET)

an environmental consulting firm that provides engineering solutions.



RESODYN CORPORATION

a research and development company focused on engineering and manufacturing.



HEADFRAME SPIRITS

which produces award-winning micro-distilled spirits from Butte, operates a tasting room and manufactures state-of-the-art distillation equipment.

Development in Butte

KEY PROJECTS IN THE OPPORTUNITY ZONE

Through the utilization of Tax Increment Bond Financing, Butte-Silver Bow aided in the rehabilitation and renovation of Butte High School and the acquisition of the current public library building in 1989. The total investment from Butte-Silver Bow was \$1.89 million. Bond Financing was also used to finance the cost of providing 258 new parking spaces at 4 sites and renovations at the historic Arts Chateau in 1994. This funding amounted to \$915,000.



NORTHWESTERN ENERGY

In 2013, Northwestern Energy announced that they would build a 100,000 sqft General Office Building in Uptown Butte. With this announcement of commitment to the community, Butte-Silver Bow again obtained bonding to finance the construction of the Park Street Parking Garage. This 247-space structure was completed in February of 2018 at a cost of \$8 million. The total project cost for Northwest Energy's Butte headquarters was approximately \$27 million with an additional \$26.5 million capital spend in distribution, transmission, and infrastructure.

Current Property

READY FOR DEVELOPMENT

With its ideal location for rural healthcare training in Butte, Montana, the Praxis Center for Innovative Learning will be the nation's first dedicated healthcare simulation training center focused specifically on the needs of rural healthcare practitioners. This project has received endorsements from every major national rural healthcare organization, and a national feasibility study fully supports the proposed business model.

This 60,000 ft² facility will include (a) a mock rural healthcare facility that will house the Rural Healthcare Simulation Training Center (RHSTC), (b) a 200-person conferencing facility, (c) the Praxis Accelerator, and (d) general office space. The Praxis Center will have a significant impact on the Montana economy. The Center will employ 70+ full and part time workers and will annually train between 4,000 and 5,000 healthcare practitioners (doctors, nurses, physician assistants, nurse practitioners, EMT's and first responders).



The NCHCI is offering equity investment opportunities in the Praxis Center for Innovative Learning. Total project cost of the Praxis Center for new construction, equipment, and start-up costs is \$36.5 million. Financing for the Praxis Center can include Opportunity Zone Investors, Private Equity Capital, New Markets Tax Credits, and Grant Funding. The investment goal is \$36,500,000.

Opportunity Zone Financing: Prospective investors can take advantage of the capital gain tax incentives to incentivize investment in Butte's Opportunity Zone.

Praxis Center

FOR INNOVATIVE LEARNING

ECONOMIC IMPACT

PRAXIS CENTER FOR INNOVATIVE LEARNING

BUTTE, MONTANA



The Praxis Center's programs produce **\$22.1 million** in labor income and job impacts to the local and Montana economy

BENEFITING

1,038 jobs



Economic Impact Study conducted by Circle Analytics under a grant from NorthWestern Energy



\$36.5 MILLION
IN INVESTMENT



\$121M

Social Impacts (annual)

\$7 of cost-benefit for each \$1 invested in healthcare simulation training (based on 5,000 trainees)

\$64M

Economic Impacts

Land acquisition; facility design & construction; equipment; hotels, food, and retail spending for 5,000 visiting trainees; facility operations

For every **\$1** spent on simulation training, of economic benefit results from reduced risk, fewer medical errors, and greater skill retention

\$22.1M

Local Tax Impacts (annual)

Direct and indirect tax benefits including local, state, and federal taxes.

\$32.3M

IN ANNUAL LOCAL ECONOMIC IMPACT

\$7.8M

Labor Income Impacts (annual)

75 full and part-time Praxis Center positions and job impacts to the local area

Non-Labor Income Impacts (annual)

Other non-labor spending such as vendor spending that impacts the local area

\$2.2M

Current Incentives & Programs

There are various economic development tools and programs that are available to support economic development projects locally, regionally, and nationally. For more information on these programs and other economic development resources, contact a representative from the contact page.

FEDERAL

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

This program assists with providing jobs to qualified low and moderate-income Montana residents, with the goal of helping existing Montana Businesses to grow.

ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)

These loans enable small businesses to expand and lead to new employment opportunities that pay competitive wages and benefits. They also help retain jobs that might otherwise be lost, create wealth, and support minority and women-owned businesses.

NEW MARKET TAX CREDIT

A qualifying project can receive 18–23% of the financing it needs in the form of a very low interest loan that, ultimately, can be forgiven and would not have to be repaid.

HISTORIC TAX CREDIT

The program encourages private sector investment in the rehabilitation and re-use of historic buildings.

FOREIGN TRADE ZONE (FTZ)

CBP duty and federal excise tax, if applicable, are paid when the merchandise is transferred from the zone for consumption.

STATE

BOARD OF INVESTMENTS - LOAN PARTICIPATION PROGRAM

Fixed rate financing for up to 25 years, a maximum. Job creation credits may reduce posted interest rate up to 2.5%.

BIG SKY ECONOMIC DEVELOPMENT TRUST FUND

Job Creation funds are awarded by the State of Montana to local governments to assist businesses in creating stable and high-paying jobs for Montana residents.

PRIMARY SECTOR WORKFORCE TRAINING GRANT

A state-funded program that provides grant funds to primary sector businesses for training new full-time and part-time employees.

WORK OPPORTUNITY TAX CREDIT

The program is designed to assist individuals who are facing barriers transitioning into gainful employment.

SMALL BUSINESS DEVELOPMENT CENTER NETWORK

SBDC offers no-cost, customized and confidential business consulting and training to existing and startup entrepreneurs. Services include business plan development, market analysis, marketing, management and financial analysis.

LOCAL

BUTTE LOCAL DEVELOPMENT CORPORATION LOANS

Low interest rate loans for equipment, building or working capital are available to qualifying applicants.

TAX INCREMENT FUNDING - URBAN RENEWAL

Grant and Loan funding available to encourage voluntary repair of existing commercial property within the District. The RRA makes loans and grants for private buildings in the uptown area, and invests in other public and private improvements.

BROWNFIELDS PROGRAM

An applicant may request up to \$200,000 to assess a site contaminated by hazardous substances, pollutants, contaminants (including hazardous substances co-mingled with petroleum), and/or petroleum.

TAX ABATEMENT

New/expanding industries will be taxed at 50% of taxable value for the first five years after a construction permit is issued. The tax rate is raised incrementally over the next five years to 100%.

Butte's Key Partners

FOR OPPORTUNITY ZONE

These members work to fulfill the mission of advancing Butte's economy by recruiting regional or out-of-state businesses to expand their operations to Butte, growing existing company operations, and partnering with entrepreneurs and companies of all sizes to promote job creation in the Butte community.

BUTTE-SILVER BOW- COMMUNITY DEVELOPMENT

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BACKGROUND
EDUCATION
WORKFORCE
EMPLOYERS
INFRASTRUCTURE
CONTACT

BUTTE-SILVER BOW *Community Profile*

History of Butte

THE RICHEST HILL ON EARTH

Butte, as the first major city in Montana and, at one time, the largest city west of the Mississippi River between Chicago and San Francisco, can accurately lay claim to the title of 'Montana's most historic city.' From its early days as a mining camp, to the rise of the Copper Kings and the resulting birth of the labor movement, through the industrialization and decline of mining, and down to a presence marked by an environmental and urban renaissance,

Butte's history is as colorful and diverse as the landscape of Montana.



Photo by Montana Standard

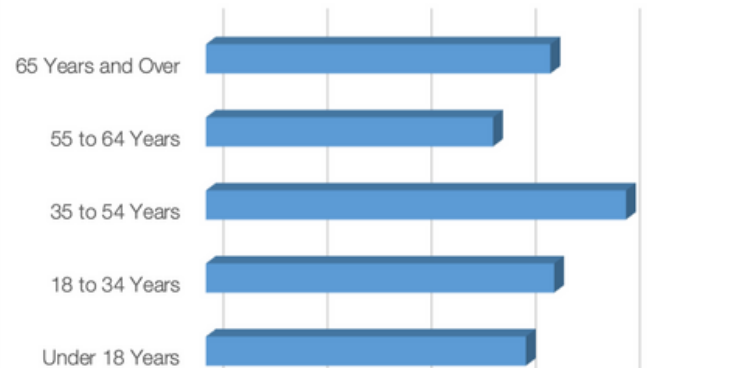
Demographics

Southwest Montana and Montana's economy continues to grow and has steadily expanded since 2008. Since the 2009 economic recession, Butte's economy has blossomed with most Butte-based companies sustaining themselves through the recession by leveraging Butte's low cost of living with competitive salaries that are on average lower than more competitive regions in the US.

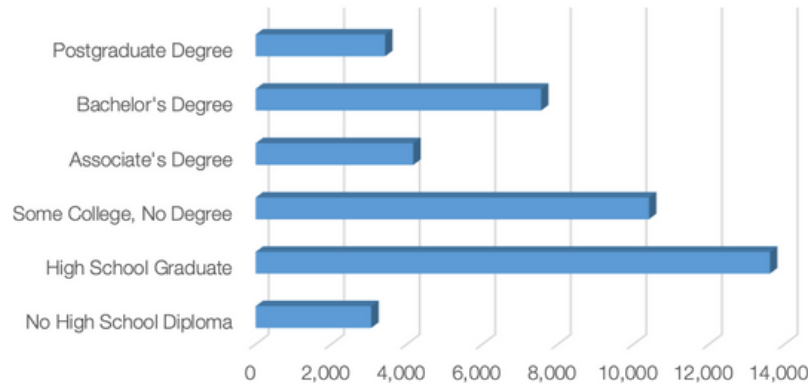
TOTAL POPULATION IN
SOUTHWEST MONTANA
(82,590)



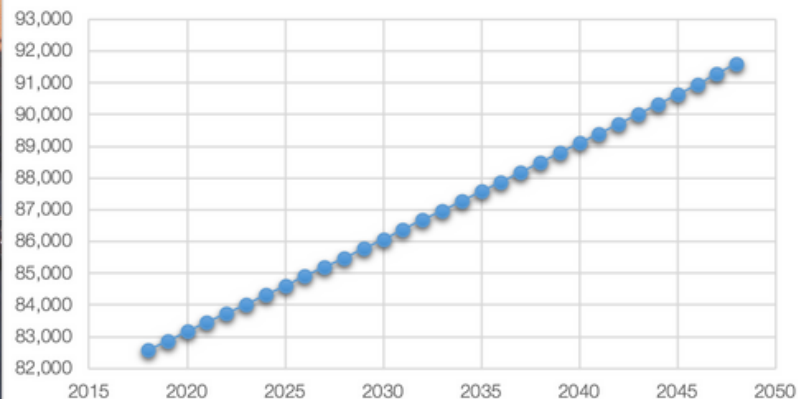
MEDIAN AGE IN
SOUTHWEST MONTANA
(Ave. 44.4)



EDUCATIONAL ATTAINMENT
(Age 25-64)



POPULATION GROWTH
IN SOUTHWEST MONTANA
Annual Ave. Growth (.3%)



Recreation Opportunities

BUTTE'S BASECAMP TO THE OUTDOORS

Butte is the best place to revel in everything the Rocky Mountains have to offer. One of Butte's most spectacular assets is the Continental Divide Trail (CDT) system. Local trail heads offer access to hiking, biking and cross-country skiing along 50 miles of urban and suburban trails. The CDT weaves through public lands at 8,000 feet above sea level, and connects with Thompson Park, the only "city park" located within a National Forest in the United States.

Just south of Butte, the Big Hole River Valley welcomes sportsmen with blue-ribbon trout fishing and rafting. And, a summer day isn't complete without a drive through the Pioneer Mountains where hot springs beckon adventurous spirits. Learn more about Butte's extensive opportunities at www.basecampbutte.com.



Single Tracks Magazine named Butte as the number 2 of the "10 Best US Mountain Bike Towns with the Lowest Cost of Living", in March 2018.





The **New York Times** ranked Butte-Silver Bow in the **TOP THIRD IN THE NATION** for "Quality of Life" based on a variety of economic and health statistics.

Quality of Life

BUTTE'S UNRIVALED & UNIQUE CHARACTER, CHARM & COMMUNITY



Butte-Silver Bow & Montana have consistently ranked high in offering an **EXCEPTIONAL "QUALITY OF LIFE"**.

Butte is a city that values community connections and comes together frequently to celebrate and support its fellow residents. Anchoring this mindset are Butte's vibrant neighborhoods. Nestled around vibrant commercial areas, each neighborhood in Butte is easily walkable to area grocery stores, elementary schools, and is accessible to public transit and bike routes.



MONTANA WAS RANKED FIRST in the American Dream Composite Index based on economic, well-being, societal diversity, and environmental indices.

Butte's cultural district hosts a monthly art walk, a weekly farmer's market, and nightly music and entertainment. Catch Butte's Symphony Orchestra at the Motherlode Theater and youth performances at the Orphan Girl. During the summer, impress your friends with free festivals scheduled throughout the season - whether your kids love the adventure of winter activities or the sounds of zydeco music, you're sure to find something for everyone.

Cradle to Career

COMMUNITY VALUES

While Butte is historically known as the “Richest Hill on Earth” for local ore and mineral resources, we are also rich in community values. Butte has an extremely robust and active non-profit sector. Whether the cause is a housing initiative, youth focused campaigns, or the arts, Butte shows its support. This true sense of community is often witnessed at large gatherings for medical benefits or fundraising dinners. When need presents itself, Butte rises to the occasion.

Butte is also rich in educational resources. We have a wide range of quality education facilities including public and private K-12 schools, trade development/training programs, in addition to the higher education institutions of Highlands College and Montana Tech.



Montana Tech -

OF THE UNIVERSITY OF MONTANA



Montana Tech provides a challenging and rewarding college education for success-oriented students, specializing in the STEM disciplines.

Montana Tech was ranked as the #1 school in the United States by the Social Mobility Index college rankings. The college has been nationally recognized as the fourth best value in higher education, is also among the Princeton Review's best colleges in the country, and the fourth best public college in the West (2011 Edition of America's Best Universities and Colleges). The Wall Street Journal ranked Montana Tech ninth in the nation for best public universities for return on investment. Montana Tech has a very high job placement rating for graduating students.

Montana Tech has nearly 3,000 students, 13 campus buildings and offers 73 undergraduate degrees along with 18 minors, 14 certification degrees, and 10 pre-professional career programs. Montana Tech also offers 21 graduate degrees and a Ph.D. in Materials Science. Degree programs in Biology, Chemistry, Computer Science, Software Engineering, and Business that could all be utilized to assist in the growing industries surrounding Butte.

Highlands College

OF MONTANA TECH



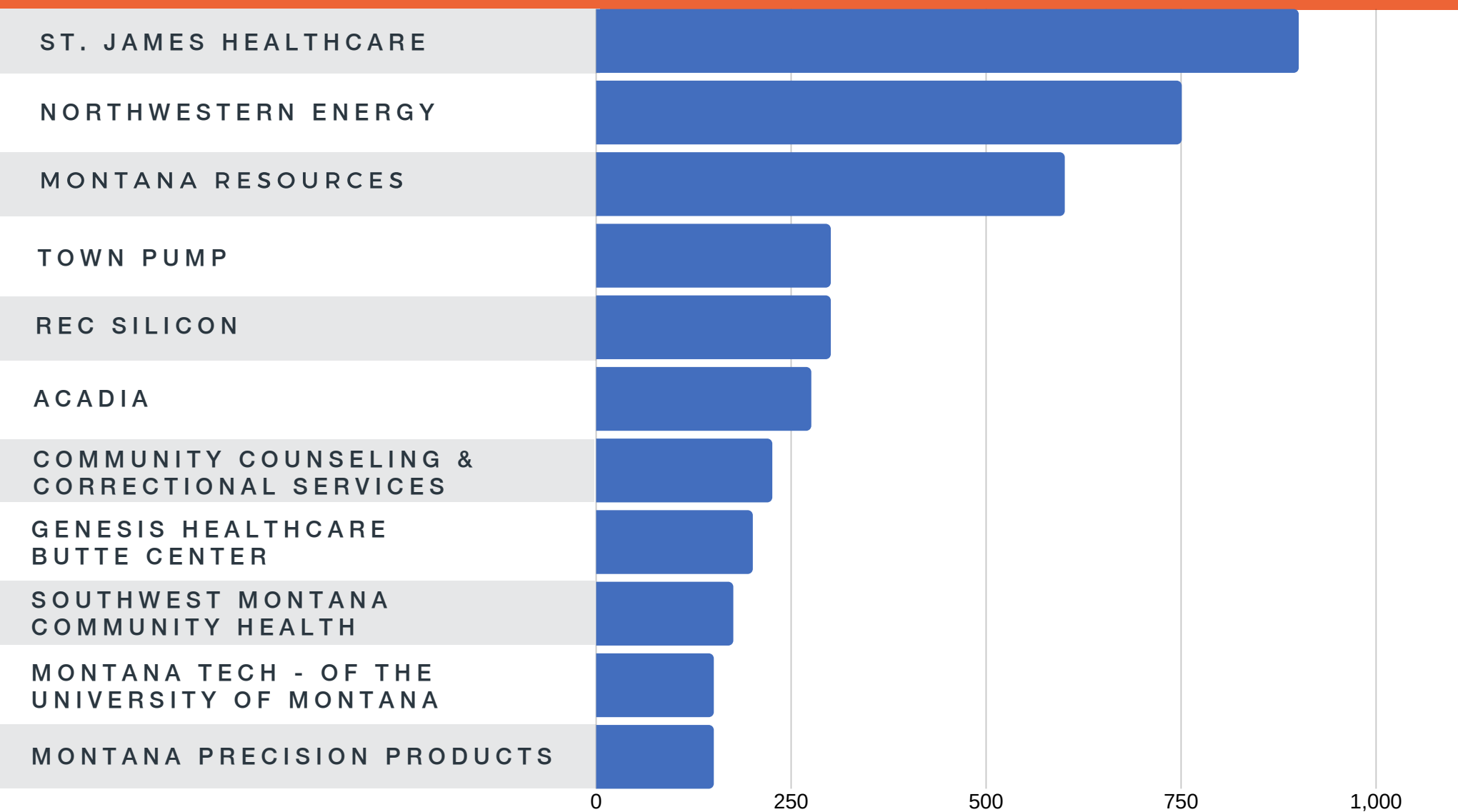
Highlands College serves the Greater Butte Region through their associates degree and certificate programs, continuing education, and customized training.

Degrees are designed to help individuals enter the workforce immediately, or earn credits that may be transferred to a 4-year degree program. Here you will find quality education, dedicated faculty and staff, small class sizes, individual attention, student services, and exceptionally affordable tuition.

One of the best assets that our community has is a 2 year college that is highly engaged in the business community in Highland College. With courses in a variety of topics and the ability to be nimble and tailor programs to the needs of industry Highlands is an asset that many of our large employers find to be incredibly valuable. When we have had needs for specific trainings in Butte Highlands has always been the first to the table to bring innovative solutions to the workforce challenges that employers can face. Our workforce is a source of pride for our community and it is bolstered because of the partnership with Highlands College.



Major Employers



FCR is the premier provider of outsourced live agent call center and business process solutions. FCR operates a call center in Great Falls and recently moved into the former JCPenny in the Butte Plaza Mall on Harrison Street. The company announced in November 2019 it would open a new facility in the Mining City in early 2019 and would bring up to 400 new jobs to the community.

Infrastructure

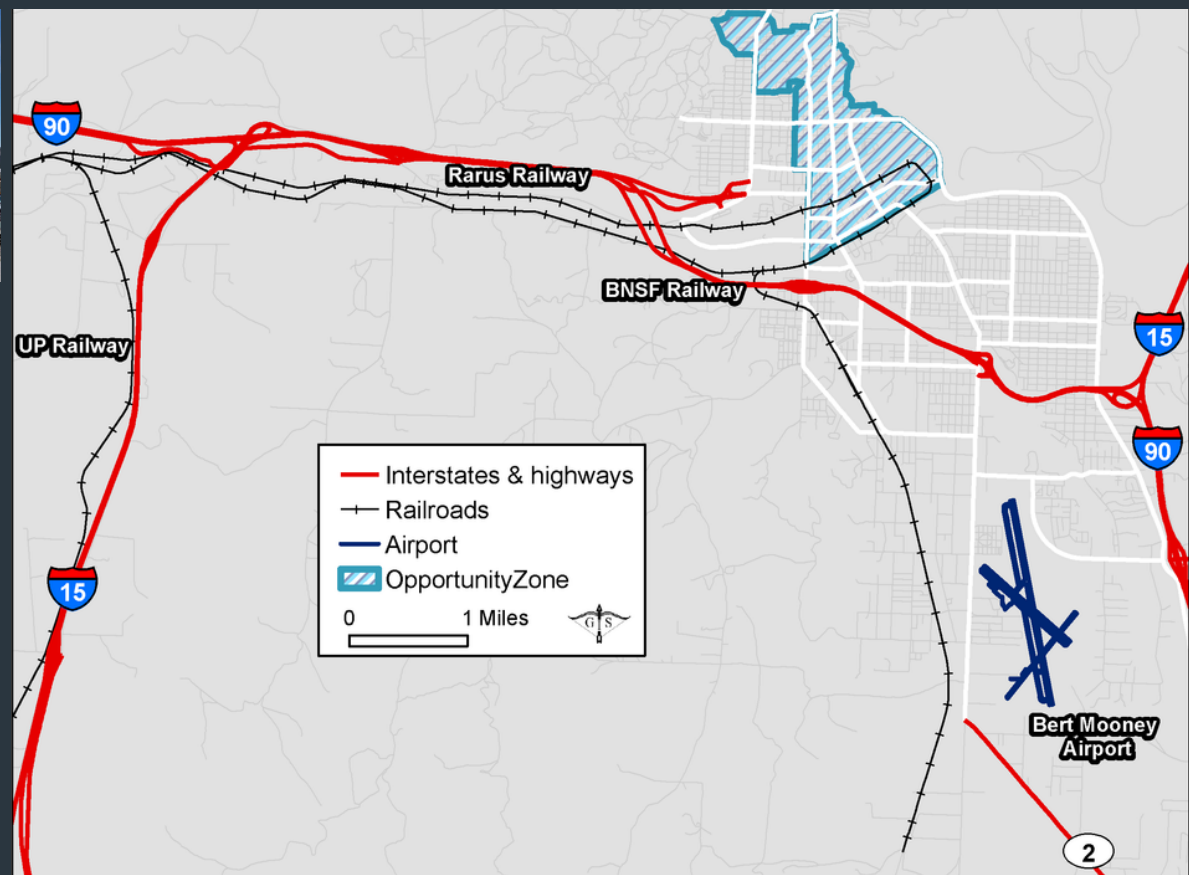
TRANSPORTATION & LOGISTICS

Butte is the only location of its kind in Montana featuring dynamic transportation and shipping infrastructure connecting companies with the target markets of the Northwest US and Western Canada reducing transportation costs through the use of efficient transportation channels. Interstate 15 runs north-south and Interstate 90 is part of the CANAMEX corridor, these two interstates intersect just 5 miles west of Butte. The BNSF and the Union Pacific railways are the two largest freight rail networks in North America. Both BNSF and UP serve Butte through the Port of Montana located just five minutes outside of the Butte, connecting Southwest Montana to the world. This unique transportation infrastructure with both interstate and Class I rail options is not duplicated anywhere else in Montana and only a handful of places within the Northwest US.



PORT OF MONTANA

The Port of Montana is a full service transload facility leveraging rail and highway access to directly benefit businesses throughout the region. The Port offers 120,000 sf of indoor storage, 55 acres of outdoor storage, rail care storage capacity, and features five docking areas with two certified scales. With over 30 years of transloading, warehouse, distribution, and logistics experience, the Port is well equipped to meet all of your transportation and transloading needs.



Infrastructure

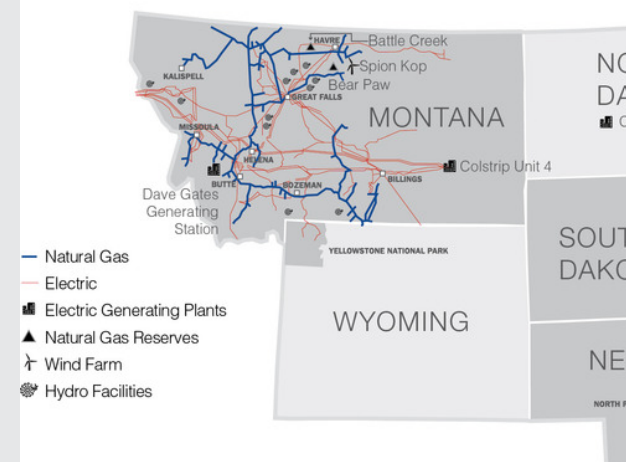
POWER & GAS

NorthWestern Energy is a major, regional provider of electricity, natural gas and related services to approximately 709,600 customers in Montana, South Dakota, and Nebraska. Their electric system has more than 28,220 miles of transmission and distribution lines and associated facilities serving 297 communities and surrounding rural areas in Montana, eastern South Dakota, and Yellowstone National Park in Wyoming.

Their natural gas system includes approximately 9,758 miles of transmission and distribution pipelines and storage facilities serving 168 communities and surrounding rural areas in Montana, South Dakota, and central Nebraska.

The Montana energy operations, which are based in Butte, provide regulated electric and natural gas transmission and distribution services to approximately 369,139 electric customers and 196,113 natural gas (and propane in limited areas) customers in the western two-thirds of Montana and Yellowstone National Park in Wyoming.

NorthWestern Energy is also the energy supplier in Montana, meaning that it provides electric and natural gas supply to customers in the state who do not select a competitive supplier.



Infrastructure

WATER

Opening April of 2017, the new \$30 million Basin Creek Water Treatment Plant, located just five miles south of Butte, made history as the first ceramic-membrane filter system used to ensure clean water for a U.S. city. It's high tech, computerized control system and innovative ceramic treatment filter allows up to 7 million gallons of water to flow through the plant's pipes and processes each day. Only a half of a percent is left as waste, as opposed to most other plants wasting 7 to 10 percent of their water while also requiring large lagoons to capture it. The new facility supplies Butte with some of the cleanest water in the United States.

The water sources serving Butte-Silver Bow are The Big Hole River/South Fork Reservoir, the Moulton Reservoir, and the Basin Creek Reservoir System. Water from each source can be diverted and utilized at any location within the community, however, water from the Basin Creek Reservoir Water primarily serves the southeast side of Butte. These are all surface water sources that, in 2016, supplied 12,099 homes and businesses with 2.87 billion gallons of potable water, with a peak day of 14.86 million gallons.

