REGION V

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

SOUTHEAST IDAHO COUNCIL OF GOVENMENTS

APRIL 20, 2013

BACKGROUND

The following is a background of the economic development situation of Region V, located in the southeast corner of Idaho. This background is a realistic picture of the current condition of the region. The background section includes a discussion of the economy, population, geography, workforce development and use, transportation access, resources and environment.

Economy

The economy of Southeast Idaho has historically been a combination of farming and mining. The counties in the Bear River watershed, Bear Lake, Franklin, and Oneida, are predominantly agricultural. None has less than 25 percent of its total employment in agriculture and all have strong trade ties with Northern Utah. Caribou County has significant agricultural employment and an industrial base in phosphate mining and processing. The northwestern counties of Region V, Bannock, Bingham, and Power, have more cropland and food processing area used than area used by the major industrial employers. The Chubbuck-Pocatello urban area is the trade center of Bannock, Caribou, and Power counties and much of Bingham County. The northern parts of Bingham County are included in the Idaho Falls trade area.

The economy is gradually becoming more stabilized and diverse. For this reason, Southeast Idaho was not hit as hard by unemployment rates as other parts of the state. Through hard work and diligence the district is working to be less vulnerable to changes in farming and to develop other opportunities by diversifying.

An example of the trend toward diversification is demonstrated by looking at the FMC phosphate company, a major employer in 2001 and the ON semi-conductor plant, a major employer in 2012. In 2001, after half a century of operation, FMC laid off 375 employees and another 450 as the huge phosphorous plant closed its doors in 2011. Just one year later and five miles from the old FMC site, On Semiconductor, added $11 million in new equipment to ON's Pocatello plant. Fifty-five people are being hired to run that new equipment bringing the total number of workers at On semi-conductor to 700.

Population

The seven-county southeastern region of Idaho experienced 8 percent population growth from 2000 to 2010, just over 166,200. The estimated population as of 2011 is 167,325. Between 2000 and 2010 the region's largest county, Bannock grew 9.6 percent to 82,839 while the second largest, Bingham, rose 9.3 percent to 45,607. Two counties in the region had declining populations. Bear Lake fell 6.6 percent to 5,986, and Caribou fell 4.7 percent to 6,963. Americans who are of ethnic English stock form a large plurality in every county in southeastern Idaho.

Geography

The seven counties of Southeast Idaho encompass 9,241 square miles and a diverse landscape of mountain ranges, foothills, lava fields, ranches, irrigated farms, and small cities. The region is part of two major watersheds. The southern portion, in Bear Lake, Franklin, Oneida, and Caribou counties, is drained by the Bear River, which enters Idaho heading north, but loops around the Bear River Range and leaves the state flowing south toward the Great Salt Lake. The Malad River, which drains much of Oneida County, is a tributary of the Bear River. The northern part of the region, which includes Bannock, Bingham, Power, and part of Caribou counties, is in the Snake River watershed. The Snake River flows west into the Columbia River and the Pacific Ocean.

The landscape of the Bear River watershed is composed of alternating, northwest-southeast trending mountains and valleys. Most of its mountainous grazing lands are in the Caribou National Forest. Foothill areas are used for grazing and dry land grain farming. The valley floors are irrigated where water is available. The Snake River watershed has a more varied landscape. The Portneuf and Blackfoot Rivers and smaller tributaries flow north and west toward the Snake River from mountainous divides with the Bear River watershed. The landscapes drained by these tributaries are similar to those on the south side of the divide, but the northwestern part of the region, in Bannock, Bingham, and Power counties, is on the relatively level Snake River Plain, where extensive irrigated croplands are interspersed with lava fields and the horizon is punctuated by occasional volcanic buttes.

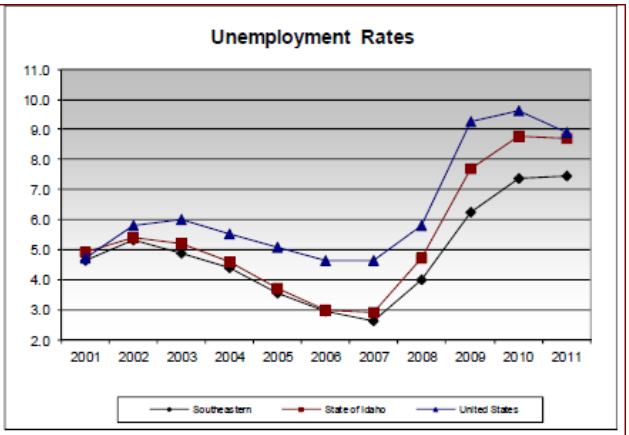
Workforce Development and Use: The Idaho Department of Labor report:

Labor Force & Employment

In 2007 southeastern Idaho enjoyed an unemployment rate of just 2.5 percent. By 2010 the rate had risen to 7.4 percent. By 2011 the rate stood at 7.5 percent. Despite the sharp increase, the region continues to have unemployment rates lower than both the state and the nation. The area's labor force is expected to continue growing as the region slowly pulls out of the effects of the national recession.

The lower than average unemployment rates are due to an economy which is increasingly more stabilized and diverse.

The region has experienced changes over time with the closure of the FMC elemental phosphorus plant due to safety issues, the merger of AMI and On Semiconductor and the subsequent layoffs and the closure of the Ballard/Kimberly Clark medical supplies plant, which moved to Mexico. Franklin County, which is part of the interstate Logan Metropolitan Statistical Area, consistently holds one of the lowest rates in the region because of commuters to Utah. Bear Lake and Oneida counties, even during the recession, maintained unemployment rates near 5 percent.



Labor Force	Apr 11	Apr 12
Civilian Labor Force	83,217	84,560
Total Employment	77,087	78,834
Unemployed	6,130	5,726
Southeastern Idaho % Unemployed	7.4	6.8
State of Idaho % Unemployed	8.7	7.7
U.S. % Unemployed	9.0	8.1

Labor Force	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Civilian Labor Force	75,250	76,328	77,203	77,816	79,095	79,458	82,305	81,131	78,975	82,372	83,527
Unemployment	3,500	4,052	3,771	3,428	2,804	2,358	2,172	3,256	4,941	6,055	6,229
% of Labor Force Unemployed	4.7	5.3	4.9	4.4	3.5	3.0	2.6	4.0	6.3	7.4	7.5
Employment	71,750	72,275	73,432	74,388	76,291	77,100	80,133	77,876	74,034	76,317	77,298

Prepared by Dan Cravens, Regional Economist, Idaho Department of Labor • 430 N. Fifth Ave., Pocatello, Idaho 83205
Phone: (208) 236-6710, ext. 3713 • email: dan.cravens@labor.idaho.gov• Labor Market Information website: lmi.idaho.gov

Several Universities have a presence in Southeast Idaho's Region V. Idaho State University is located in Pocatello and is a Carnegie-classified doctoral research and teaching institution founded in 1901. Total Enrollment is 14,489 and there are over 280 programs. Tuition is $2,898 per semester and the gender ratio is 44% male, 56% female.

Also a part of the ISU Campus, the College of Technology offers students the opportunity to acquire professional, technical education in a University setting and is designed to meet the needs of students as well as business and industry. The College provides students with technical skills, knowledge and attitudes necessary for successful performance with 40 different programs and a student population of 2,000.

Transportation access

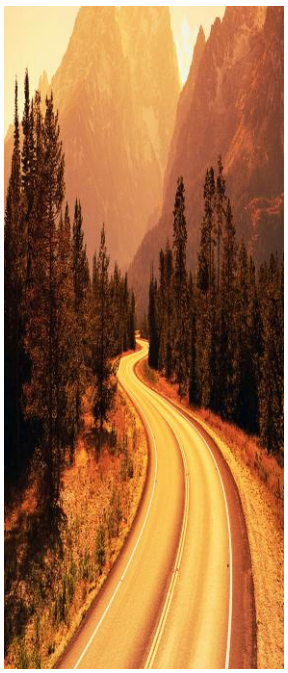
Two interstates, I-15 and I-86, link Southeast Idaho to Utah and to other parts of the State of Idaho. The interchange is located in Chubbuck and is near the Regional Airport. US 30 received major improvements including widening the road from I-15 to Lava Hot Springs and from Preston to the Utah Border. The upgrade has improves the safety and accommodates the high volume of large trucking on the hi-way. Region V is currently conducting the following Design Projects and Corridor Studies by the Idaho Transportation Department.

· I-15 / I-86 Corridor Study
· Chubbuck Interchange
· Idaho 39 Blackfoot to Pingree/U.S. 26 Blackfoot to Peoples Canal Corridor Plan
· I-15 Environmental Study
· U.S. 89 Utah Line to Montpelier Corridor Plan
· US-91 North Corridor Plan
· Cheyenne Overpass Environmental Assessment
· I-15 Clark Street Interchange Landscape Enhancement

Single driver vehicles have dominated Region V and remain the dominant form of moving people to work and play. However, Region V is seeing increasing interest in providing people with alternative forms of transportation. The Bike to Work program has been successful in some areas. The Community Transportation Association of Idaho is advocating for a safe, convenient, healthy and environmentally-friendly network of

multimodal transportation options across Idaho. Another presence in Southeast Idaho that supports this interest in transportation beyond the single person vehicle is the I-WAY organization. I-WAY is a statewide network working to connect people to a mix of transportation options. Through local coordination and partnerships, I-WAY connects rural and urban communities.

Many communities have walking paths but few are using them to connect citizens to services. In Region V walking is considered a major form of exercise but is not safe on highways in the rural parts of the region. In rural Idaho great distances must often be traveled for work and shopping, therefore walking is seldom practical as a means of transportation.



Pocatello Regional Airport serves the cities of Pocatello, Chubbuck and the Southeast Idaho region by providing flight services to Salt Lake City, and from Salt Lake to Boise, Seattle and destinations throughout the United States and the world. These are small planes used as connector flights to international airports. The service includes three round-trip flights per day (Monday – Friday) between Pocatello and Salt Lake City (two on weekend days).

Resources and Environment

There are entertainment and tourism opportunities in the region. The counties of Bannock and Bingham include Indian Lands with a casino available just off I-15. Region V also has many Scenic Drives that attract tourists, especially folks interested in the Oregon Train. The Franklin - Bear River Loop - Soda Spring Scenic Drive is a 140-mile drive that passes through some of the earliest settlements in Idaho. The National Oregon/California Trail Center is a delightful interactive museum with over 48,000 visitors every summer. Lava Hot Springs, Idaho is a picturesque year-round resort with natural hot pools, an indoor swimming pool and an Olympic size outdoor pool.

The Region is very attractive to rock climbers, cyclists, mountain bikers, hikers and people who enjoy off road vehicles.

ANALYSIS OF ECONOMIC DEVELOPMENT PROBLEMS AND OPPORTUNITIES

This section of the Comprehensive Economic Development Strategy for Southeast Idaho includes an in-depth analysis of the economic development problems and opportunities. These problems and opportunities identify strengths and weaknesses in the regional makeup of human and economic assets. The section also includes problems and opportunities posed by external and internal forces affecting the regional economy.

The Idaho Department of Labor reports that in Southeast Idaho: "The average wage grew from $23,995 in 2000 to $31,150 in 2010 an increase of 23 percent. In spite of this increase, wages in southeastern Idaho are among the lowest in the state and have factored into the region's low operating expenses that attract new employers. Manufacturing, information, financial services and mining jobs are among the highest-paying. Leisure and hospitality jobs as well as retail jobs are among the lowest-paying. The large university student population in Pocatello also contributes to lower average wages because students are more likely to work part time. As more medical and research workers move to the area, it is likely per capita wages will rise at a faster rate."

It is becoming more and more apparent to economic development agencies that regional development is dependent upon non regional players. We must find ways to identify clusters by depth of relationship not physical locality alone. Agencies must find ways to collaborate with one another, replacing competition with support and encouragement. Agency collaboration, a Smart Growth agenda, regional planning across jurisdictions and creating quality of place are all keys to success. We have not yet identified the most useful ways to support export activities. We lack a shared vision identifying which of our businesses have the potential to grow and create exports. The change from identifying a cluster as a proximity issue to identifying clusters as depth of relationships opens capacity building opportunities for Southeast Idaho that have not existed in the past. The EDA sponsored 2011 Know Your Region webinar series teaches that "rural regions are seeing the benefit of cross-industry collaboration, idea sharing and the fortification of existing assets, all with economic development as a common purpose." Southeast Idaho/Region V has much to gain from this concept. The Region V CEDS capitalizes on this belief by attending the Idaho Economic Summit 2013 and intends to bring this concept to the region.

The following analyses include problems and opportunities in major areas that will move the region toward improved economic health.

Major Area 1: Extraction

Analysis: A large part of the past and present work in this region is connected to mining. Members of the Idaho Mining Association were responsible for more than $857 million of economic impact in 2010 according to a study completed by Idaho Economics, a Boise economic forecasting firm. In Region V the majority of the mining is phosphate ore that is used to produce elemental phosphorus. The largest and most long term operation is Monsanto, located in Soda Springs. The plant is staffed with about 400 employees, and 3,300 residents live within 3 miles of the site.

Problems: not sustainable, can leave behind environmental problems,

Opportunities: great export that can operate for many years

Major Area 2: Farming

Analysis: In the 10 years from 2000 to 2010 the number of farming jobs has not decreased but has slightly increased. Agriculture remains one of the lowest paid industries in the state. Originally, farms were owned by individuals and families but over the last 20 years the trend has been for large corporations to buy up the small and medium sized farms.

Problems: Large corporate farming can create problems with confined animal farming operations.

Opportunities: larger operations allow for more access to overseas export.

Major Area 3: Labor

Analysis: Educated members of the labor force leave to find work in larger areas. Less educated residents stay in the area. This keeps wages low and increases the average age of community members.

Problems: Schools see enrollments dropping. Some schools close and bus children to nearby communities.

Opportunities: There are two very appealing opportunities to be highlighted in this section.

1-Many people left to pursue careers when they were young. As they enter the childrearing life stage there is much interest in living in smaller areas.

These parents see rural areas as safer and the life style as more amenable to children's lives.

2-Technology (Broadband improvements) can allow families to work for a company based in a city but live in a rural area to raise their children.

Major Area 4: Entrepreneur Development and Support

Analysis: According to the Idaho Department of Commerce "In 2007, the Kauffman Foundation ranked Idaho 6th in "Innovation Capacity," but only 38th in "Venture Capital Investment". Hence, while Idahoans are inventing and advancing innovative ideas, they are not easily taking those innovations to market."

There are technology opportunities in Southeast Idaho that are unique and extremely promising. The Idaho State University has facilities housing a number of accelerators gifted to the University by the nearby INL and other sources. The accelerators have been utilized and new technological applications have been made available to be engineered for product development.

Problems: There is a "dead zone" that is occurring between the science and the ability of an entrepreneur to move the science out into the business world. The entrepreneurs and scientists are not able to fill the gap between the research and the use of that research. There is no casual immediate access to each other. This lack of easy access results in limited understanding of one another and an inability to meet the needs of one another, consequently this crucial connection just does not manifest.

Opportunities: There are many applications that could be taken into the business environment if the right entrepreneurs were aware and had access to the researchers. A technology incubator or product research park could link the researchers to the product engineers to move ideas through the "dead zone."

Major Area 5: Downtown Revitalization

Analysis: Many of our cities once boasted thriving downtown commercial centers but a variety of circumstances has crippled these historic centers. Increased competition from box stores, lack of maintenance or poor image can all contribute to the demise of downtown. Downtown areas are more than just a place for a small business owner to make a few dollars. Downtown areas that are successful can be a major source of taxes to a

small community. The downtown of a small community can be a tourist attraction and a major employer in the area. A vital downtown area increases the value of neighboring property. And most important of all, the downtown area is a symbol and representation of a community's quality of life, history, identity and sense of place. This is hugely important to a community trying to attract and grow business and industry.

Problems: Solutions are expensive and require a lot of cooperation with owners of buildings, store owners and community members.

Opportunities: People in small communities really do love their downtown areas. There are, in our small communities those buildings that are highly valued by individuals who want to have a nice downtown with a sense of place.

RELEVANT TO OTHER PLANS

By addressing the need to support entrepreneur development, the Region V CEDS gives meaningful support to the State of Idaho Five Year Plan. One of the strategies listed in the State of Idaho Five-Year Strategic Plan for Housing & Community Development Programs is to "Support efforts to increase local capacity in planning, administration, and implementation." The five year plan, which has a strong focus on jobs, is supported by the development and support of entrepreneurial activities.

The 4CASI Economic Development Organization focuses on creating industrial parks and infrastructure to support expanding existing businesses and attracting new businesses to the area. The removal of the previously mentioned "dead zone" is supported by the work in 4CASI when the research is transferred to the entrepreneurs and developed. The next step may logically be to utilize an industrial park to get started with manufacturing and exporting the product.

Please see the CEDS Plan of Action below for a complete discussion of consistency with State and Local Workforce Investment Strategies.

PAST PRESENT AND FUTURE

The following is a brief review of past, present and projected future economic development investments. Although there are many possible narrations, this CEDS will focus on the Regional Airport and Business Park.

Past – The Pocatello airport was originally a US Army base during World War II. Following the war it became a general and commercial aviation facility for the entire region. Although the airport is a significant economic asset for the owner, the City of Pocatello considered the airport to be a non performing asset for the citizens.

Present – The airport is aiming toward economic self-sufficiency. A Business Park has been created on the large inventory of land. This is land that could be leased and indeed there is one tenant in place. The business Petersen, Inc., fabricates a variety of metal components many of which are oversized loads used in mining. In 2004 an Airport Master Plan was completed to help guide conventional land development. The airport master plan is for mixed use: light industrial, warehouse/distribution, office/professional and commercial/retail. The focus is on the first two assuming the rest will then naturally develop. The airport is interested in developing the Business Park and is also seeking aviation-related businesses.

Projected Future Economic Development Investments

Infrastructure improvements must be made to facilitate additional use of the Business Park. The Regional Airport Manager, reports that the biggest financial hurdle to additional tenants is the large infrastructure costs required. The costs are so high that any single business would not be interested in developing under a Tax Increment Finance public financing method. The three needs are:

> Water: Need fire flow quantities through large storage tank and some line improvements and extensions
> Sewer: Need to replace existing lift station, replace a considerable amount of existing line, provide for extensions into undeveloped tracts and add a second lift station in the west section of the Business Park
> Rail: Replace and extend third spur, build trans-load station to move containers from rail to truck.

The airport leaders are considering a public/private partnership to attract potential tenants and fully utilize this regional asset. Technical assistance from the Economic Development Administration may be requested.

ECONOMIC CLUSTERS

Interstate Exchange

The hub of I-15 and I-84 is a natural cluster for economic development. A few miles before Interstate 84 intersects with I-15 we have both the Airport with its business park and the former FMC site. The area surrounding this intersection and the Pocatello Regional Airport is an Economic Cluster in Region V. Opportunities for warehousing exists alongside a confluence of transportation opportunities including air, road and rail.

Medical Isotopes

We believe we have an economic cluster in the medical isotopes area but are still in the beginning stages of identifying the elements and the relationships that exist.

Accelerator and Enterprise Center

The ISU accelerator center is testing accelerators and finding new applications. Just down the road another ISU owned building is using accelerators and testing for medical uses.

Mining in Bear Lake County

A feasibility study is underway in Bear Lake County. A company is interested in starting a phosphate mine in the area. The company has met with local officials and expressed the need for a trucking company and a RR hub for shipping by rail. The City of Montpelier is considering an industrial park to serve the needs of the mining company and the spin off businesses that arise.

Cluster Mapping

Region V will begin the steps of cluster mapping to identify existing clusters. This will be a great help to the area and the professionals and elected officials that seek to help develop a strong diverse economy.

CEDS GOALS AND OBJECTIVES: DEFINING REGIONAL EXPECTATIONS

The goals and objectives set forth in this section are necessary to solve the economic problems in Region V or are necessary to capitalize on the resources of the region.

Goal 1: Professional level jobs as well as living wage jobs

Goal 2: Support entrepreneurs

Goal 3: Help existing businesses expand into export markets

Goal 4: Identify unrealized or nontraditional clusters that utilize opportunities and strengths in Region V

Goal 5: Create location ready areas for industries shopping

Goal 6: Utilize university resources for work force, talent, partnerships

Objective A: Increase broadband infrastructure for remote employment in professional level jobs

Objective B: Transfer knowledge from university to entrepreneurs by creating a technology park

Objective C: Promote the American Manufacturers Network, the U.S. Government's export promotion and finance portal "export.gov", TechConnect East (the product of Former Idaho Governor Dirk Kempthorne's Science and Technology Strategy for Idaho), Kickstand (helps develop entrepreneurs by providing a casual forum for members to meet, exchange, share, and showcase ideas), National Main Street Program and other organizations with the goal of improving the economic landscape in Southeast Idaho.

Objective D: Create joint initiatives between Economic Development Professionals and Universities.

Objective E: Map Industries in area, map relationship depth and search for clusters

COMMUNITY AND PRIVATE SECTOR PARTICIPATION

In this section the relationship between the community in general and the private sector are discussed. The context of this discussion is in the development and the implementation of the Comprehensive Economic Development Strategy (CEDS). It is the intention of the CEDS to use a holistic approach to support export activities, providing information and linking potential partnerships that will carry through from idea to completion.

There are a number of existing Economic Development Professionals in Southeast Idaho. Bannock Development, Bear Lake Regional Commission, City of Montpelier, Power County Development Authority, Great Rift Business Development Organization in American Falls, 4CASI who's employee covers the four lower counties, the Entrepreneurial Center that covers upper eastern Idaho (Region VI) and also the Southeast Idaho Council of Governments designated Economic District which includes project development, funding and administration. In some regions the number of Economic Development professionals has created an environment of competition and redundancy. This is not true for Region V. Although that situation could develop the existing climate is one of capacity building. Each of the professionals not only serves a different area but also addresses different activities of economic development. In Montpelier the ED manages the local industrial park, writes grants for parks and schools and helps local businesses connect to resources outside the community. The 4CASI ED professional helps the cities in the four lower counties identify and secure properties for potential corporations shopping the area and helps with small infrastructure projects. For larger projects the services of SICOG are utilized. These are only examples but each of the ED professionals has a different area of expertise and focus. These professionals have developed relationships with one another to strengthen and increase the capacity for economic development in Region V.

There are several engineering firms that offer planning services for downtown revitalization and transportation planning. Planning services are also supported by select employees at the Idaho Department of Transportation and various universities.

These professionals each have a vested interest in working together to accomplish common goals. The idea of crossing jurisdictional boundaries is being introduced to the area and some acceptance has been accomplished.

There are often difficulties connected with mandates and requirements that do not support regional work in favor of local concentration of efforts.

Major businesses include On Semi-conductor, Simplot, Heinz, Fred Meyer, Wal-Mart, Idaho State University, Portneuf Medical Center, Allstate, Converges, Premier Technology and Farmers Insurance.

Elected officials are often experienced, educated and involved with economic development. These officials have a deep understanding of the resources and needs in the communities in which they were elected. These professionals participate in memorandums of agreement and help their communities compete for grants and loans needed for construction phases of economic development. They often spend monumental numbers of hours attending planning meetings and meeting legal requirements imposed on the communities by funders. Many of these jurisdictions join together to pay dues for ED organizations like SICOG or by paying portions of an ED salary as in the four counties that pay the salary of the 4CASI ED.

These individuals have participated in the CEDS by identifying roadblocks and discussing creative solutions. Throughout the spring and summer of 2012 economic development professionals, business owners and elected officials were presented with the CEDS document and offered suggestions and affirmations. These entities played an important role of the development of the CEDS by participating in the three month period (January, February and March) of open opportunities to formulate the 2013 CEDS and they will play an important role in the implementation of the CEDS. The participants will represent the CEDS to their local officials. They understand the content and support it in meetings and other gatherings. They will serve on committees and suggest course changes when necessary.

A sampling of the business owners, ED professionals and elected officials participating in the development of the CEDS update during the months of January, February and March 2013 are presented in the chart below:

ED Professionals	**Business/Community**	**Elected Officials**
Amy Bishop-Montpelier ED	Greg Williams-Golf Course manager	Kerry Haddock- Bear Lake County Clerk
Kathy Ray- Four CASI ED	Ken Estep-Power Co. Farmer	Kristen Jensen-American Falls ED
John Regetz–Bannock Dev. Corp.	Ron Endo–Reg. Hospital	Brent Lewis - Paris
Lon Crowell – Pocatello	Kent Kearns-Computer-	Reed Peterson – Mayor

Planner	small business owner	Montpelier
Dan Cravens- Dept. of Labor Regional Economist	Emma Gebo-Sierra business owner	Mitch Hart–Soda Springs -Agrium
Roger Chase - BEDC	Kelly Holt – Restaurant owner	Sandy Gaydusek-Shelly city clerk

This update was completed and adopted by SICOG Board Resolution on April 11, 2013 and submitted April 20, 2013.

STRATEGIC PROJECTS, PROGRAMS AND ACTIVITIES

This section identifies regional projects, programs and activities designed to implement the Goals and Objectives of the CEDS.

Projects, programs and activities are categorized as either Vital or Suggested. Each project, program or activity includes the anticipated number of new jobs that will be created and the lead organization responsible.

Vital:

Bear Lake County Infrastructure

Bear Lake County will soon be heavily stressed by the Paris Hills Mining Project. This company is bringing a minimum of 300 jobs to the area and will be likely to bring as many as 450 jobs. The project is an underground phosphate mine. This mining project will increase traffic, housing, transportation, services, employment and much more. The need for an industrial park in the Montpelier area has been identified. The need for a gas line to the cities of Paris, St. George and Bloomington has been identified and the need for alternative transportation has been identified as well as other infrastructure needs.

The project will bring a wonderful economic boost to the area but will also require the communities and local infrastructure to perform at a level to meet the needs of the mine.

Stonegate Agrium LTD commissioned an independent feasibility study and in December 2012 announced the study concluded the quality of the phosphate, quantity of the phosphate and other factors all pointed in favor of the project.

The project will create additional needs for transportation, traffic, trucking and other shipping. The number of trucks on the road will grow, the interest in rail access will increase and employees will increase traffic. Housing needs and other infrastructure needs will surface. The project is welcome by the communities and the economic advantages outweigh the high strain on infrastructure. Infrastructure projects will be carefully selected and funding requests will be well backed by research and need.

Accelerator Research Facilities

The Idaho Accelerator Center (IAC) is a unique research facility operated by Idaho State University. The Center has three laboratories: one on the university campus, one in the Universities' Business and Research Park and one at the Pocatello Airport. It serves as a principal investigating conduit for R&D in nuclear physics applications in materials science, biology, homeland and national security.

The Idaho Accelerator Center's mission is to become a national research and development entity of world-class technology capability, based principally on the application of radiation science and off-the-shelf accelerator technology.

In order to stabilize its revenue streams and provide more economic development opportunities IAC is developing more market based revenue opportunities that are less grant dependent and more market based. The potential of the market based revenue is significant.

Medical Isotopes is the area most ready to utilize this venue. This research is ready to be developed into practical application and placed in the waiting arms of the medical industry. This particular medical isotope is a cancer research project that uses equipment called the Copper Seven. The discovery is ready to move from the research phase into what is commonly called the Valley of Death, that deep hole between research and marketing. Funding for equipment and space that would allow companies to buy time on the copper 7 and access to the research scientists will allow the movement through this crucial death valley where most great research stops short of practical application. Benefits to the medical industry include finding and treating cancer cells (tumors) without impacting noncancerous cells, bridging the gap on a broken spine to allow the neurons to fire across the gap (the ability to walk again), and ground breaking treatment for ovarian cancer.

IAC's initial engagement into market based revenue is renting accelerator beam time to various scientists from government, higher education institutions, and commercial enterprise. The accelerator rents usage for $500 an hour at a 10 hour minimum block price. With this model IAC currently collects over $500,000 in user fees annually. However, with some upgrades to key components on the accelerator and adding more accurate diagnostic tools to the accelerator beam the center will have the potential to double their revenue within the first year going from $500,000 to $1 million.

The Need and Cost

There are two upgrades that will greatly increase the marketability of IAC for researchers renting time in the facility. 1) Updating the RF driver and 2) Providing more accurate diagnostic capabilities for the accelerator beam. The estimated combined cost for both of these upgrades is $500,000; approximately $300,000 for the RF driver and $200,000 for upgrading the diagnostic capabilities

Short Term Impact on the Local Economy

The cost is substantial but the immediate impact is significant. Over 75% of the cost of upgrading the diagnostic capabilities will be spent in the region hiring labor, expertise and purchasing material. This makes an impact of over $150,000 capital growth into the local economy providing short term job growth projections of one engineer and 3-5 machinists and technicians to build and install the equipment.

Over 20% of the cost of upgrading the RF driver will be spent in the region in hiring expertise and labor for the installation. Currently RF driver equipment is not available in the region, however, expertise in installation is. This will still provide job growth of one engineer and an economic impact of over $50,000 to the local economy.

Long Term R.O.I.

The above upgrades provide an opportunity to market to a larger cohort interested in using the accelerator. This larger market would increase revenue by $500,000 in the first year after the upgrades are completed and provide the potential of doubling within six years to $1 million.

Long Term Impact and Job Growth for the Region

The table below demonstrates the job growth possible with a $500,000 capital growth in scientific research. The table indicates a growth of eight jobs within the region. This includes three new staff positions at IAC with an annual salary over $65,000.

NAICS Code	Level	Description	Original Jobs	Current Jobs	Change	% Change	EPW(K)
23	1	Construction	12,314	12,315	1	8.1E-5	$38
44-45	1	Retail Trade	23,124	23,125	1	4.3E-5	$23
53	1	Real Estate and Rental and Leasing	8,815	8,816	1	0.0113%	$14
54	1	Professional, Scientific, and Technical Service	16,063	16,066	3	0.0187%	$65
72	1	Accommodation and Food Services	12,110	12,111	1	8.3E-5	$15
90361	4	Education (Local Government)	10,435	10,436	1	9.6E-5	$36
Total					8		

In addition to new job creation the increase in revenue can be used as capital to fund more market based opportunities e.g. medical isotopes, and material analysis.

Summary

With an EDA grant of $500,000 for equipment upgrades to the accelerators at the Idaho Accelerator Center (IAC) there is an initial and long term impact. The initial impact of 5-6 jobs that would be created developing and installing the upgrades is significant. However, the long term sustainable impact to the community where the IAC can double its annual rental revenue from $500,000 to $1 million is substantial. The economic impact of that increase is encouraging. IAC will continue to develop their market based products and services and provide sustainable economic growth opportunities in the region.

Job growth estimates were calculated using the Economic Modeling Specialists Intl. (EMSI). This Modeling program made available through the Regional Economist at the Department of Labor Offices in Region Five. The lead agency is Idaho Accelerator Center.

The R.I.S.E. Complex

The Research and Innovation in Science Engineering (RISE) Complex advances research, education, and technological development at Idaho State University in order to develop the knowledge, technology and global competitiveness of the state of Idaho. The RISE Complex brings together university faculty, students, national laboratory scientists, and industrial researchers to propose, design, and explore the integration of new materials into state-of-the art architectures and microsystems.

The mission of the RISE complex is to become a National Science User Facility and the world's first facility including radioactive applied nanotechnology. The RISE complex will also use Technology Transfer to disseminate the new discoveries to partners within the public and private sectors allowing Idaho State University to maintain its respected position as a leader in technology development and be the catalyst to create high tech jobs.

RISE is a non-profit research facility associated with Idaho State University in Pocatello, Idaho that is dedicated to investigating the uses and behaviors of nano-scale materials in the areas of nuclear science and engineering, materials science, energy, and bio-technology. The goal is to transition this class of materials from

laboratory novelties into useful products and devices and bring the exciting possibilities of nano-technologies into everyday life.

RISE has state-of the-art facilities and capabilities and is uniquely qualified to analyze the effects of extreme environments on nano-structures. It is the only dedicated radioactively "hot" nano-scale research lab in the world.

RISE has over 215,000 square feet of research and development space located on the Idaho State University Research Park that has space and services available to support commercialization.

The Need and Cost

The Research and Innovation in Science Engineering Complex (RISE) is very new. It was established in May 2011 when Idaho State University bought the Ballard Pharmaceutical building. Through minor infrastructure upgrades the building was made habitable and opened in August 2011. RISE has been able to initiate research on six new initiatives and the grants and donations from these initiatives are what fund the operation of the complex.

In order for RISE to become a National Science User Facility many important and costly infrastructure upgrades are required. The five major ones include: a waste water drainage pond, an accelerator berm, clean room HVAC duct work, concrete shielding and internet cabling infrastructure. The estimated cost of these upgrades is between $2 million and $4 million.

The Short Term Impact on the Local Economy

The cost of these infrastructure upgrades is substantial but the immediate economic impact on the local economy is significant. The below table identifies the cost and the probable job growth of each project.

Project	Cost	Estimate # of Jobs Created in Construction	Estimate # Jobs Created in Community
Drainage Pond	$ 150,000	3	5
Accelerator Berm	$ 100,000	3	5
Clean Room HVAC	$ 200,000	4	7
Concrete shielding	$ 500,000	15	22
Internet cabling	$ 100,000	3	4
Total	$ 1,050,000	28	43

Long Term ROI

As a National Science User Facility the National Science Foundation will provide $4-10 million annually to the complex. The National Science Foundation is looking for

institutions that have the unique discipline mixing that RISE provides. This mixing will provide an environment for scientists, engineers, pharmacists, healthcare professionals, and business leaders to cross disciplines in order to develop products and services needed to solve the complex problems society faces in the 21st century.

Long Term Impact and Job Growth for the Region

A $4 million influx of capital to the region, especially in scientific research and development would have an enormous impact on the area. **The initial job growth is 172 jobs with 67% (116) of those jobs coming in the scientific, engineering and consulting field with potential salaries of $65,000+.**

Below is a table with a breakdown of the where the majority of the new jobs are expected,

NAICS Code	Description	# of Jobs
541690	Other Scientific and Technical Consulting Services	116
903611	Elementary and Secondary Schools (Local Government)	4
903999	Local Government Excluding Education and Hospitals	2
722110	Full-Service Restaurants	2
722211	Limited Service Restaurants	2
622110	General Medical and Surgical Hospitals (Private)	2
812990	All Other Personal Services	1
561320	Temporary Help Services	1
531210	Offices of Real Estate Agents and Brokers	1
621111	Offices of Physicians (except Mental Health Specialists)	1

North American Industry Classification System **(**NAICS**) - US** Census Bureau

Summary

The potential for the RISE complex is immense. In its infancy RISE has begun to show significant advances in technology. As it moves forward towards its goal of becoming a National Science User Facility its potential grows exponentially. The important need of providing updated infrastructure is costly but the potential impact on the local economy is game changing for the southeast region of Idaho.

Job growth estimates of 172 were calculated using the Economic Modeling Specialists Intl. (EMSI) modeling program made available through the Regional Economist at the Department of Labor Offices in Region Five. The lead agency is Idaho State University.

Broadband Access

Create infrastructure to enable professionals to work from home and be employed by a business or corporation that pays high wages and requires access to information technology. SICOG will participate in the Link Idaho work to increase broadband access in Southeast Idaho. Link Idaho is currently focused on gathering usage information from libraries.

> To exemplify this concept the following scenario is offered: the SICOG web designer wants to live in Lava Hot Springs but he has limited service providers so the service is not consistent and can drop on him. For this web designer, better broadband access would allow him to run his business from the City of Lava. His family could live there and his children could attend the local school. He could own property that contributes to the tax rolls and would also contribute to wealth for the community.

No modeling tool is available to estimate the new jobs created when well-paid individuals move back to the area with their burgeoning families. It is a relatively new phenomenon that individuals can work for large corporations from a remote site. Recent business journals indicate that businesses benefit from not paying for office space and employees benefit from working from home and keeping their existing well paid professional job with a corporation headquartered in a large city. Link Idaho is the logical lead to increasing access to broadband. SICOG serves on their local committee and intends to ask the agency to accept the lead role (if the usage and need is supported by the current library study).

Cluster Mapping

Identify clusters that exist in Region V. These clusters should be identified by depth of relationships not by geography alone. Once clusters are identified the next steps can be determined.

Energy

Develop Interactive group discussions among energy professionals. The low cost of power in Idaho, geological circumstances, the proximity of the Idaho National Laboratory (The Department of Energy's lead nuclear R&D) and the low cost of labor would lead us to believe that unidentified clusters exist and should be unveiled.

Number of new employees has not been estimated for this expected cluster. Lead agency is Regional Economist, Dan Cravens.

Mining

Through facilitation of interactive discussion, bring together mining interests in the Soda Springs area with identified potential partnerships and facilitate capacity building of information and idea sharing. The Paris Hills mining project is unfolding in the Bear Lake County. This discussion can be used to identify potential partners and identify missing pieces. To date it is know that a new road needs to be constructed as a haul road and new housing will be needed for workers. The company has committed to using 50 to 75 percent local workers and the other 25 to 50 percent will be moved to live in the area.

4CASI will help a great deal. This Economic Development Organization serves the four southern counties of Region V. This organization is well suited for this project due to a thorough knowledge of the area. The organization has only one employee, but as a local who was raised in the area, she is well versed in the significance of mining and has developed relationships and a deep understanding of the industry.

Number of new employees can be estimated at 300. The Lead Agency will be a partnership between 4CASI and SICOG and the Regional Economist.

Suggested:

Economic Development Technology: Region V economic development professionals do not have access to critical technology considered to be very important in planning and economic development. It is important to find ways to get access to county digitalized mapping, GIS access and other technological tools. When conducting important planning activities, many communities must rely on maps from engineering firms and other sources that are not compatible with economic development needs.

Number of new jobs is one and lead agency is SICOG.

Advanced Energy Center: Prepare to support Power County in their work with the Southeast Idaho Energy Organization. A Permit to Construct the Power County Advanced Energy Center (PCAEC) has been extended but the project is voluminous and slow moving.

New jobs are estimated at 400 as per PCAEC and Power County will be the lead agency.

Support the Winter Tourism in Southeast Idaho. Work with the Department of Commerce and local Chambers of Commerce to promote winter tourism.

New jobs would include making current summer only jobs into full time jobs. This would be an equivalent of 50 FTE's distributed across the region. Lead organization is Regional Economist, Dan Cravens.

Technical Assistance may be required to help the Pocatello Regional Airport accomplish planning and development necessary to meet infrastructure needs. The airport grounds provide a perfect business and industrial park platform for the support and development of clusters. The City leaders need to commission a study to identify the triggers that will lay the foundation for attracting and accommodating certain types and or sizes of businesses. This study will clearly establish infrastructure needed to attract desired businesses appropriate to the underutilized airport property. Without this preliminary study the City cannot move forward with a well-founded capital improvement plan.

CEDS PLAN OF ACTION

The following plan of action implements the goals and objectives of the Comprehensive Economic Development Strategy. It is important that the plan be implemented in a manner that promotes economic development opportunity, fosters effective transportation access, enhances and protects the environment, maximizes effective development and use of the workforce consistent with any applicable State or local workforce investment strategy, and promotes the use of technology in economic development, including access to high speed telecommunications. The plan of action must also balance resources through sound management of physical development and must obtain and utilize adequate funds and other resources. The following action plan makes every attempt to implement the goals and objectives in a manner that meets each of these important aspects of health and vitality in Region V. Following the action plan (seven steps below), this document highlights the realization of each of these important aspects.

The following steps are the very first steps for Implementing the Goals and Objectives. Once these steps are taken additional steps can be identified and planned.

1. SICOG will become educated on cluster mapping and seek the funds to have a useful cluster mapping of Region V.
2. SICOG will hold a summit meeting following the 2013 Idaho Economic Summit. This will be a partnership with the University and local Economic Development Professionals
3. SICOG and Idaho State University will partner with other parties to develop a technical business park that puts researchers and product engineers in the same building with one another
4. Idaho Department of Labor Regional Economist will promote the results of cluster mapping by educating key entities of the results of the mapping project
5. SICOG will support the Link Idaho Project to increase Broadband access to Region V. Encourage Link Idaho to take the lead role (when the need is support by their current assessment).
6. The ED Professionals will work together to create a tool box of planning services and offer these services to communities as projects and needs arise.

It is important that the CEDS should expound on the key aspects of the implementation plan. This action plan covers the first steps that will allow a more expanded effective action plan to be created. Once we identify our clusters through the cluster mapping we will be able to use that information to continue to take action steps in the directions that support the goals and objectives of Region V.

This plan promotes economic development and opportunity and in fact these goals support the goals and objectives that are vital to Region V. These initial action

steps promote economic development opportunities by identifying what clusters we have to work with, who the interested parties are and will create a new vitality for using the technical opportunities for product engineering. This work supports the higher paying jobs we so desperately need, by helping to support business development likely to create these jobs.

These steps also involve other Economic Development Professionals and bring together a variety of potential partnerships for individual initiatives and for development of tools and ideas. **The plan fosters effective transportation access**. Once the clusters are identified the transportation access needs will surface and steps can be taken to fund and support meeting these needs. A lot of great transportation access already exists and it will be necessary to make incidental improvements and additions. Please see the background section of this plan and the subheading of Transportation, to see a more expanded conversation surrounding transportation. This section discusses Bike to work, I way, the Community Transportation Association of Idaho, and a list of eight (8) different current transportation studies.

For the environment, these action steps begin the process of creating more exports from Region V. We would like to increase our participation in cleaner technology. As this is developed, attracting cleaner manufacturing will help the region and the state rely less on the extraction industry. The CEDS and the action plan balances resources through sound management of physical development. One way this manifests is in the openness to both move toward cleaner technology based jobs and also assist with mining operations that have been a strong part of Idaho history and economic success.

These steps **maximize effective development** by allowing Region V to review the outcome of these steps and use that information to determine the next steps to take.

The CEDS Action Steps support the effective development and use of the workforce. The action plan is consistent with State of Idaho economic priorities and the State of Idaho Strategic Five Year State Work Force Investment Plan. Utilizing existing clusters is an excellent way to utilize the existing workforce. The creation of new technology oriented businesses will utilize the workforce development opportunities that exist in the area through the Idaho State University Undergraduate and Graduate Programs and the College of Technology. The identification of clusters will help focus efforts on recruiting and retaining high growth businesses and creating high wage jobs in economically critical industries. The CEDS and this action plan are consistent with the **State of Idaho Work Force Investment Act** which specifically states that it "creates an environment that sustains a **vibrant technology-based economy** which provides employment opportunities and high wage jobs for its citizens." Increased emphasis on the CEDS application and use of science and technology in Region V will continue

to spawn new companies and industries, while contributing to the global competitiveness of its traditional industries. Please see below for a more detailed demonstration of how this action plan supports the Idaho Department of Commerce Economic Development priorities and the State of Idaho Strategic Five Year State Work Force Investment Plan.

It is important that the Comprehensive Economic Development Strategy (CEDS) discuss the methodology for cooperating and integrating the CEDS with the **State of Idaho Economic Priorities.** The Region V CEDS methodology is supported by the State of Idaho economic development priorities. These priorities are found in the Idaho Department of Commerce Economic Development Division. The Following Excerpt is taken from the website of this Division:

> *The Economic Development division helps create sustainable economic growth by working to retain and expand existing Idaho businesses, increase entrepreneurial activity, and attract new businesses from industries that fit well in Idaho. There are three main segments within the division, Business Development, Community Development, and Business Attraction.*
>
> *Business Development provides counseling, networking and revenue generating opportunities for local entrepreneurs. Business Development also provides support to help businesses compete for competitive government contracts, receive federal grants, and obtain support to retain and develop their workforce.*
>
> *Community Development evaluates the economic strengths, weaknesses, and opportunities for local communities and provides support to spur economic development. Community Development helps local communities to obtain funds to improve their public infrastructure, provides valuable training to local leaders, and helps educate communities on existing resources available from the Department of Commerce.*
>
> *Business Attraction seeks to attract companies from key industries to Idaho in order to create high-wage, high-growth jobs and diversify the economy. Business Attraction proactively promotes Idaho to industries that provide special benefits for the state economy and provides consulting services for companies that express interest in relocating or expanding to Idaho.*

It is easy to see that the CEDS methodology is supported by the State. The Region V focus on Accelerator Research Studies, Broadband Access and Cluster Mapping all support the business expansion and the increase in entrepreneurial activity targeted by the state to create sustainable economic growth.

The six CEDS goals of Developing Professional level jobs, Supporting Entrepreneurs, Help Existing Businesses into Export Markets, Identify Unrealized or Nontraditional Clusters that utilize opportunities and strengths

in the Southeast Idaho Region, Create Location Ready Areas for Industries shopping for a new location and Utilize university resources for work force, talent, partnerships all support the States commitment to business attraction.

Work Force Development is vital to the health of the region. It is important that the Comprehensive Economic Development Strategy support the work force development goals of this Region. The Region V CEDS clearly and deliberately supports the **State of Idaho Strategic Five Year State Work Force Investment Plan**. The plan lists six strategic goals for attracting, growing and retaining businesses within Idaho. Two of the goals are strongly supported by the Region V CEDS. The following is an excerpt from the State of Idaho Strategic Five Year State Work Force Investment Plan.

> *Focus efforts on recruiting and retaining high growth businesses and creating high wage jobs in economically critical industries and*
>
> *Create an environment that sustains a vibrant technology-based economy which provides employment opportunities and high wage jobs for its citizens. Increased emphasis on the application and use of science and technology in Idaho will continue to spawn new companies and industries, while contributing to the global competitiveness of its traditional industries.*

The focus on Broadband, cluster mapping and energy support the Work Force Investment Strategy strategic goal of retaining high growth businesses and creating high wage jobs in economically critical industries. The focus on the accelerator research facility and the RISE building is in support of the creation of a technology based environment.

Initial action steps can be funded by administration funds for project development through SICOG and by administration funds for program development through the Idaho State University Research Department. However, additional funds will be required. It is not the intention of Region V to rely solely on funding from Economic Development Administration. A combination of grants from other agencies, investor contributions and jurisdictional contributions is required to fund the bulk of the CEDS action steps. According to a news release dated June 18, 2012:

> *The Idaho State University Idaho Accelerator Center will receive $670,700 for the development of commercially-viable accelerator-produced materials for medical and semiconductor industry applications from the Idaho Global Entrepreneurial Mission (IGEM). The intent of the grant will help grow high-tech research and economic development in medical isotopes and accelerator-modified materials," said Doug Wells, director of the Idaho Accelerator Center and the grant's principal investigator.*

There are funds available but they need to be directed toward the "dead zone" described in the Analysis Section of this CEDS.

PERFORMANCE MEASURES

This section lists the performance measures used to evaluate the successful development of the CEDS.

- Performance Measure One:

  Number of initiatives with a focus on high growth business

- Performance Measure Two:

  Number of implemented ideas generated with a focus on high wage jobs

- Performance Measure Three:

  Was an asset mapping project developed and ready to proceed to funding?

- Performance Measure Four:

  Was link Idaho supported and asked to take the lead in Broadband access?

- Performance Measure Five:

  Was Summit meeting organized planned and scheduled?

- Performance Measure Six:

  Number of entities/partners that have indicated support for the Accelerator Product Development facility

  Team established? Number of meetings facilitated?

- Performance Measure Seven:

  Attend two to five conferences, workshops or training events that add to the planning services tool box.

- Performance Measure Eight:

  Number of jobs created

Number of Jobs Created after the Implementation of the CEDS: Researchers found that in 2010, 394,000 startup businesses created 2.3 million jobs. That means 6 new jobs per start up business. We also know that business owners do not want to create more jobs. There is a leaning toward creating wealth as opposed to creating jobs. Region V will explore what this can mean to Southeast Idaho. With the help of our University Partnerships and support of EDA and other organizations we can understand and assist in developing this new thinking and new needs and new ways of living and earning and participating. Economic Develop needs are real

but judging success by number of jobs is disheartening. Perhaps we can judge our success by replacing low paying jobs with high paying jobs.

According to a blogger on an Economic Development site "you can create more jobs by building a dam with spoons instead of with heavy equipment. But this is not an accurate measure of success". It is our hope that the goals and objectives and the action plan in this document will demonstrate additional ways to judge success. We know we want jobs but we want meaningful jobs that pay a living wage at a minimum. We do not want to work hard just to create low income jobs. We know that measuring the creation of wealth is a possible alternative for measuring success in addition to number of jobs created but we do not know what that might look like in Region V.

At the completion of implementing this strategy we can estimate 1,000 new jobs. We can assume these are a combination of high income professional jobs and jobs moved from a poverty level income into a living wage income or better.

One performance measure is the number and types of investments in the region as a result of this plan. We can reasonably expect a minimum of five different types of investments by implementing this CEDS. This is a modest assumption and based the cluster analysis results we hope to see much more. A sample is the mining operation that is undergoing a feasibility study now. The project will require $134,300,000 for development and will employ around 300 people.

Another performance measure is the number of jobs retained in the region: In April 2012 Southeast Idaho totaled 78,834 jobs. Implementing this plan should retain all these jobs. Our region is not suffering the job losses seen in other areas. Our unemployment rate lowered from 8.7 in April of 2011 to 7.7 in 2012. We hope to change jobs to better paying and cleaner jobs as well as attract businesses and people to Southeast Idaho.

Another performance measure might be the amount of private sector investment in the region after implementation of the CEDS. The outcome from positive results related to the Technology and Product Development Park proposed in this CEDS will lead to multi-million dollar investments by companies. Initially we can anticipate 10 participants that will use the tech park to try to overcome the "dead zone" and we should see one success that takes a marketable product to the assembly line. These participants will "rent" time on equipment and access to scientists and lab techs as well as space. In an attempt to traverse geographical and institutional boundaries it is considered to be a success regardless of the area that receives the direct benefit. A more traditional sample is the mining operation that is undergoing a feasibility study now. If pursued, this project will require $134,300,000 for development and will employ around 300 people.

Region V is seeing changes in the economic environment of the region. Our largest city, Pocatello, has been named in the top ten cities for quality of life. The City was also named in the top 10 cities for affordability, and has even been named the Smile Capital of America. As more people seek quality of life, we see more interest in Southeast Idaho. Many Family-Age young people are searching for ways to move back to the area and bring their great jobs with them. The inclination for younger people to start work making higher wages and to expect community amenities is just starting to change Region V from a blue collar extraction and farming area into being viewed as a sport activity, healthy living and safe place to live. Region V residents are exhibiting more and more interest in broadband access, more and more interest in diversity of foods and our population is starting to show more color and more education. We are seeing more people move into the area as they are recruited by companies like On Semiconductor, Monsanto, Simplot and others. With this Strategic Economic Development Strategy, business owners, economic development professionals and community leaders are responding to the changes.