

G. Past Target Industry Studies for Missoula County

In the context of this detailed examination of the Missoula economy, studies done identifying or recommending so-called “target industries” for Missoula County to focus upon in economic development efforts are reviewed. Target industries are ones that are considered to be locational fits for an area and ones that provide significant benefits to an area economy in its development and improvement. They are ones considered both desirable and attainable for a given area, usually as determined by economic or business development experts. There have been a number of these target industry studies done for Missoula over the years. These are summarized below.

Missoula Airport Development Park; by HOH Consultants, Leland Consulting Group, Druyvestein Johnson & Anderson, 1994

As part of a planning study for the Missoula Airport Development Park, analyses were done by project consultants identifying industries or sectors within the economy that could be targets for future development of the new, county-owned, development park. As stated in the consultant’s report, “the 1994 plan is designed to increase the effectiveness of the County’s development and marketing activities and provide growth management criteria for development of the park..” (page VII-1) The study was directed at a 446-acre area north of the Missoula airport (today the park includes around 600 acres).

The report further noted: “The recommended development concept for the Missoula Airport Development Park is an employment-based, mixed-use, multi-phase, land development project involving a range of land uses and activities.” (page VII-16) The target industry methodology used employed both “quantitative and qualitative targeting analysis of select industries which exhibit a locational fit with a market.” (page IV-1) The process used consisted of “a series of sequential screening steps designed to eliminate all but the most favorable industries and business sectors.” (page IV-1) These included:

Screen 1: identification and listing of “growth industries within the Pacific Northwest, Great Plains, and Rocky Mountain regions”, those with recent or projected growth in the region

Screen 2: identification of industries with recent growth in the number of establishments in these industries, wanting to identify industries adding to their establishments, indicative of opportunities for some of these locating in Missoula Co. and the park

Screen 3: identification of industries with significant investments in the Northwest and Rocky Mountain regions, determined by using location quotient analysis (level of employment in area in relation to overall economy in comparison to these measures nationally); and also, fit with Missoula area and Montana locational strengths and weaknesses (from interviews with area employers, data analysis, etc.)

Screen 4: identification of industries with size and financial capabilities necessary to make new investments in the region

Screen 5: consideration of the reasonableness of surviving industries (checked against industries identified by the Montana Dept. of Labor and Industry as exhibiting the potential for growth)

Screen 6: from the steps above, develop list of finalist industries

Screen 7A and 7B: finalists analyzed individually and in detail for current industry conditions, with an emphasis on future growth trends, toward a more practical business perspective

The last step was to group the finalist industries into groupings or “clusters” and identify “supporting industries” for these key industries within the clusters. This resulted in the following list of target industries or industry clusters:

- **value-added fabrics manufacturing** (SIC 239 – miscellaneous fabricated textile products including bags and canvas products, manufacturing and warehouse facility)
- **food and beverage production** (SIC 2083 – malt from barley, beer and spirits manufacturing) (SIC 209 – miscellaneous food products including canned goods, coffees, chips, pastas, etc., manufacturing facility)
- **building materials manufacturing** (SIC 24 – lumber and wood products except furniture, mills for lumber, plywood, etc., but

- most likely value-added wood products, heavy industrial facility) (SIC 243 – millwork, veneer, plywood, etc., manufacturing facility) (SIC 324 – cement, hydraulic, heavy industrial)
- **tools of technology manufacturing** (SIC 3572 – computer storage devices including disk, magnetic, optical, tape, light industrial/research and development), (SIC 3577 – computer peripheral equipment, like printers, plotters, graphic displays, light industrial/ R&D), (SIC 367 – electronic components and accessories like electron tubes, circuit boards, semiconductors, sensors, etc., light industrial/warehouse), (SIC 38 – measuring, analyzing and controlling instruments including optical instruments, surveying instruments, other scientific and guidance instruments, medical and dental instruments, etc., light industrial/R&D), (SIC 384 – surgical, medical and dental instruments and supplies, light industrial/R&D)
- **transportation equipment manufacturing & freight facilities and warehouses** (SIC 37 – transportation equipment manufacturing including ones for land, air, water transport, rail, bike and motor bike, snowmobiles, etc., manufacturing), (SIC 423 – maintenance facilities for motor freight transport, warehouse)
- **business support** (SIC 615 – business credit institutions, office/administrative), (SIC 873 – research, development and testing services including physical and biological research, commercial economic, sociological, and education research, research organizations, testing labs, etc., office facilities), (SIC 86 – membership organizations, offices), (SIC 79 – amusement and recreation services including sports promoters, fitness facilities, membership sports clubs, etc., offices), (SIC 8331 – job training and vocational rehabilitation services, public education facility)
- **recreation and sporting goods** (SIC 375 – motorcycles, bicycles, parts, manufacturing), (SIC 379 – miscellaneous transportation equipment like travel trailers and campers, pickup mounts, golf carts, etc., manufacturing)
- **entrepreneurial** (varieties of entrepreneurial companies requiring office or industrial condominiums or incubator space, typically new startups, etc.)
- **supporting industries** – (SIC 281 – industrial inorganic chemicals, including pigments, alkalies, gases, manufacturing), (SIC 3553 – woodworking machinery such as for mills, manufacturing), (SIC 422 – public warehousing and storage like for farm products, perishables, food products, etc., warehousing), (SIC 503 – wholesalers of lumber and other construction materials, warehousing), (SIC 5084 – wholesaling of industrial machinery and equipment, warehousing), (SIC 509 – wholesaling of other durable goods like sporting goods, precious stones, etc., showrooms/warehousing), (SIC 513 – wholesaling of apparel and piece goods, showrooms/warehousing), (SIC 7376 – computer facilities management services including data processing facilities, office)

“The industries and business groups that have been identified as having potential for local investment reflect competitive advantages of the Missoula market area. These industry groups show potential for future growth in sales and employment, both regionally and nationally, and they are considered compatible with the Missoula area market. [...] The likelihood of all these industries locating within the Missoula Airport Development Park is extremely remote. The potential for one or a combination of these industries is greater.” (page IV-7)

So, a broad array of industries and businesses within these general cluster categories were identified as realistic and potential targets and fits for Missoula. These involve manufacturing of an assortment of products, material fabrication, warehousing and distribution facilities, firms engaged in research and development and testing, transportation facilities like trucking firms and freight handling facilities, and also some wholesaling.

The study also identified cities within the Rocky Mountain region considered to be competitors of Missoula for economic development opportunities. These were identified largely in discussions with area leaders. They also were considered to have economic bases with similar characteristics to Missoula’s. These included:

Boise, ID, Coeur d'Alene, ID, Spokane, WA, Park City, UT, Salt Lake City, UT, Colorado Springs, CO, Fort Collins, CO, Albuquerque, NM, and Flagstaff, AZ (page III-1)

Two of these cities are considered “general population peers” for Missoula that are identified in this current study: Coeur d'Alene and Flagstaff. But most of these cities have much larger populations than Missoula and may not be best suited in gauging Missoula economic development potentials (particularly Salt Lake City, Colorado Springs, Spokane, Albuquerque, and Fort Collins, but also Boise).

In the current Missoula County ILS study the largest general peer included in a list of 50 western population peers for Missoula is Billings (Yellowstone Co.). The smallest is Helena (Lewis & Clark Co.).

The airport park study identified the following “competitive weaknesses” for Missoula from an ED standpoint:

- *Labor force availability* (both numbers and skills (there is greater availability in areas with larger, more concentrated populations)
- *Access to markets/resources* (relative geographic isolation of Missoula from major manufacturing and retailing markets)
- *State and local business climate* (state tax structure creates weaknesses the study asserted)

These factors were deemed “competitively neutral”:

- *utility costs* (water, sewer, electricity and gas costs are comparable)
- *site and building costs* (real estate costs for industrial users across these cities are comparable, but the larger cities have much greater availability and range in property types)

Factors considered to be “competitive strengths” of Missoula include:

- *Transportation linkages* (Missoula’s rail and truck linkages and services appear to be a strength, largely because of the presence of Montana Rail Links headquarters, the

concentration of trucking firms, and access to Interstate 90; air service also compares favorably to other similar-size cities, which all can serve to offset Missoula’s geographic isolation)

- *Quality of life* (Missoula appears to compare favorably to other cities in the region, regardless of size, in comparing crime rates, housing costs, and area recreational amenities, and there appears to be a higher financial commitment to area education, offsetting the area’s colder climate)

In conclusion, the study noted: “.. businesses locating in the Missoula area will have the advantages of a highly educated work force, competitive utility rates and real estate costs, and a superior quality of life. The Missoula Airport Development Park also represents a potential competitive advantage, particularly due to its proposed size and the fact that its development will be carefully controlled by the County.” (page III-5)

Target industries identified in the Airport Development Park study may still have relevancy for Missoula County economic development efforts and they include: food and beverage manufacturing, building materials manufacturing, computer and electronics manufacturing and medical and precision instruments manufacturing (tools of technology), transportation equipment manufacturing including ones used for rail, truck, bike, and recreational vehicle transport, freight handling and truck maintenance facilities, recreational equipment manufacturing including campers and pickup mounts, and an array of support industries for these that extend into research and development businesses and wholesaling and distribution facilities.

All of these industries have continuing viability in a place like Missoula County and are targets of some areas similar in size and character to Missoula County. And they would generally need industrial-type sites in their locations.

Missoula Economic Partnership (MEP) target industries

The Missoula Economic Partnership (MEP) has identified what it considers “best fit sectors” for Missoula. According to MEP, these are “key sectors that would not only draw capital and create jobs, but also

benefit our community's human, environmental and cultural assets and values." – MEP web site (July, 2014)

The MEP web site describes Missoula as "a regional hub of manufacturing" that includes "dental instrument makers to award-winning breweries" and "aircraft parts to nutritional supplement producers." Analyses done in the current study could lead one to question this assertion because by almost any objective measure of manufacturing specialization or dependency, Missoula County has a relatively small manufacturing component within its economy. Among the 50 western population peers Missoula ranks low (40th) in manufacturing specialization. In 2012 manufacturing generated \$0.46 mil. in labor earnings in Missoula County for every \$20 mil. in total personal income, 11th among the 13 segments of the area's economy. (page 80)

The potential effectiveness of any target industry strategy or approach for Missoula County must first begin with a careful and accurate characterization of the current economy and its makeup and orientation. Why Missoula may have once been a manufacturing hub for wood products, it isn't today, as a whole or in any particular area of manufacturing. In fact the county's manufacturing sector is relatively small today.

The MEP web site notes: "Missoula's manufacturing sector is diverse, stable – and primed with opportunity." While it would be desirable if this were the case, the data don't support this assertion. "Manufacturing employment in Missoula County peaked in 1979 at 5,060. Marked declines in county manufacturing continued and, today, it has a little over 2,000 jobs." (page 61)

The MEP best fit sectors include:

- **Manufacturing** (very little more indicated on this on the web site)
- **Forest products and renewables** (forest products, renewable energy and new products, forest management services, new wood-using industries, etc.)
- **Life sciences**
- **Information technologies**

- **Back office and creative services** (architectural and engineering services, advertising agencies, payroll and bookkeeping services, call centers, etc.)

As documented in the current study, manufacturing in Missoula County has been in decline for many years and is an increasingly smaller component of the overall area economy. Wood products and paper products manufacturing in particular have been in long-term decline. Firms with work and products based in the life sciences exist but much more specificity is needed in identifying the particulars of this and how it represents a continuing opportunity. The same is true with information technology or IT companies – we know they have a presence in Missoula County but we probably don't know enough about the niches they operate in and their locational needs.

The data do support the notion that Missoula County may be a good location for architectural and engineering firms and other firms providing a wide range of technical, administrative, financial, and business services. The locational needs of these kinds of firms are diverse and many times do not involve industrial-type sites for location.

Target Industries Identified by the Bitter Root Economic Development District (BREDD)

The Bitter Root Economic Development District (BREDD) is a regional economic development entity serving Missoula and Mineral Counties (also previously Ravalli County). BREDD has a recently revised Comprehensive Economic Development Strategy (CEDS, March, 2013)) that cites several studies in identifying "specific industries of focus for the region." These studies include: :

- **Garner Economics** study entitled: "A Competitive Realities Report & Business Target Recommendations for Missoula, Montana", May, 2010
- **Regional Technology Strategies** of North Carolina study for the state of Montana entitled: "Regional Economic Development Strategies in Montana", 2012
- **Economic Gardening Assessment Report** directed by consultant Don Macke for Missoula, Mineral, and Ravalli Counties", 2013

The study by Garner Economics identifies the following targets:

- **Creative professional services** (computer systems design services, marketing consulting services, architectural services, physical, engineering and biological research, advertising agencies)
- **Shared back-office services** (call centers, office administrative services, payroll & bookkeeping services, facilities support services)
- **Mobile entrepreneurs**, independent (self-employed)
- **Medical/pharmaceutical wholesaling** (wholesaling of prescription drugs, medical supplies, ophthalmic lens, and laboratory & scientific supplies)

All of the above are growing areas within the Missoula economy and would have continuing potential. Their location requirements vary, often not requiring industrial sites, per se.

The Regional Technology Strategies study done state-wide does identify “Select Lead Sectors in the Missoula Region” and these include:

- **Leisure & hospitality** (hotels, other gambling industries, artists, writers, and performers, full-service restaurants, recreational and vacation camps)
- **Professional services** (commercial banking, portfolio management, custom computer programming services, management consulting services, wholesale trade agents and brokers, marketing consulting services, computer systems design services)
- **General medical hospitals**
- **Colleges and universities**
- **Animal production** (agriculture-based)

Data indicate all of these are important facets of Missoula County’s current economy, with the possible exception of “animal production”. The RTS team identified these targets by focusing on “entrepreneurial development, the knowledge economy, and creative economy as driving force, tourism, emerging industries, bioscience, government contracting, information technology, advanced manufacturing (materials, medical

devices, etc.), energy services, supply chain opportunities ...,” all considered available to the Missoula region. The wording used in describing this is awkward, to say the least, but the general drift is that knowledge creation and creativity more generally along with entrepreneurship, are the driving forces of economic change and these are most evidenced in industries like tourism, bioscience, information technology, advanced manufacturing, and energy services, which all are part of or within reach of the Missoula area economy.

This is all probably true, but difficult for many to fully comprehend or give greater tangible meaning to. What’s more the nebulousness of it does not translate easily into what it may mean for future use of industrial lands in Missoula County.

The Economic Gardening study directed by Macke identified industries to focus upon in supporting entrepreneurs and business development including:

- **Bio-sciences and pharmaceuticals**
- **Information technology**
- **Clean technology**
- **Recreational tourism**
- **University transfer**

The thrust of “economic gardening” concepts in economic development thinking is that most job growth is by small business, not by the largest companies and that community development can best be achieved by hundreds of small companies starting up and growing together in an environment that helps this to happen. But the industry categories above are ones that this study believes offer the greatest potential for entrepreneurial activity in the Missoula area.

The area obviously is ripe for firm growth in recreation and tourism, mainly because of all the opportunities offered in these areas by western Montana. Missoula does have a growing number of IT companies, so this offers continuing potential for growth. University technology transfer has happened and is being promoted more intentionally today than in the past. And western Montana has had a number of firms in the bio-science areas for a long time, with potential in this area further advanced by the presence of growing hospitals and

university labs and related research. The National Lab in Hamilton and its longstanding research in infectious diseases adds to this. So there are good rationales for why most of these industries are identified here as having continuing potential for growth in the Missoula area.

Targeted areas of economic development by several region peers

For comparative purposes and to better understand how some areas that appear to be doing better in manufacturing and other areas of industrial growth, economic development programs and target industries for selected region peers are briefly reviewed.

IDAHO FALLS Idaho Falls also has an investor-based organization and it is called “Grow Idaho Falls.” It works in Idaho Falls, but also Bonneville County, focusing on business expansion, retention, and attraction. Citing information on the Grow Idaho Falls web site, the organization notes area strengths in workforce, infrastructure, and community:

A Workforce You Can Count On

Eastern Idaho's workforce is young, with higher-than-average education levels. Businesses here regularly comment enthusiastically about the quality of the people they are able to hire.

Infrastructure to Grow On

- Low power and utility rates.
- Abundant, clean water.
- Readily available real estate.
- A transportation system that keeps you connected to the world.

A Community You Can County On

A prosperous and growing community, Idaho Falls is a clean city with a bright future. The Snake River winds its way through the heart of Idaho Falls, while the Snake River Greenbelt provides a pleasant opportunity for a stroll, a run, or interesting access to dining and shopping.

Opportunities for activities in Idaho Falls are ever-expanding, including minor league baseball, fine restaurants, a growing number of galleries, performing arts and a symphony.

The Grow Idaho Falls web site notes the following with regard to target industries for the area, combining this with a focus on area amenities and attractions:

Grow Idaho Falls Target Industries

Energy and High Technology



For decades, our community has been leading the world in the development and testing of nuclear energy technology. Today's focus on sustainable, carbon-free energy has put us back in the spotlight, with programs for the development and use of hydrogen power, as well as bio-fuels, wind, geothermal, and fossil resources. There is a multitude of opportunities and incentives for energy-related companies, including commercialization programs between national labs and private industry that facilitate technology transfer, and a growing number of research parks and incubators.

Detailed workforce demographics for this Industry.

Idaho National Laboratory Overview Video

Medical Technologies and Services



The Idaho Falls area is a medical service hub for the region, serving the growing medical needs of patients from Idaho's Snake River valley,

Yellowstone, and Teton areas of Montana and Wyoming. In addition to having two modern hospitals, a cancer center, and a cardiac center, there are supporting diagnostic facilities, medical laboratories, outpatient facilities, and medical support businesses. There is always room to make your medical business part of our community.

[Detailed workforce demographics for this Industry.](#)

[Quality Data on EIRMC](#)

Agribusiness and Food Industries



Potatoes, Idaho's most famous commodity, along with wheat, barley and more, are grown in the rolling fields surrounding the city. A complimentary array of facilities for creating value-added products — bio-fuels, distilled spirits, malt, and potato flakes — abound as well. Some of the nation's leading food technology developers call the area home. If you are looking to add value to agricultural commodities, or to develop new products and processes for the food industry, Idaho Falls is the place to be.

[Detailed workforce demographics for this Industry.](#)

Tourism and Gateway Community Services

Idaho Falls is only 100 miles from Yellowstone and Grand Teton national parks and Craters of the Moon National Monument. The Jackson Hole and Sun Valley resort communities are an easy day or weekend trip. And nearby are 12 wilderness areas, 11 national forests, 8 ski areas (Grand Targhee, Jackson Hole, Sun Valley and Big Sky, to name just a few), and too many trout streams to even begin to count. The hunting is legendary, the hiking, climbing, and kayaking are beyond words. With such abundant recreation, we have an incredibly profitable industry based on tourism. This includes hospitality-based businesses, recreational equipment manufacturers, and all the attendant services required to meet the needs of the millions passing through each year.

[Detailed workforce demographics for this Industry.](#)

LOGAN, UTAH The Municipal Council of Logan adopted a resolution outlining its policy for area economic development (No. 97-10) that states how and when various financial incentives and other city assistance may be provided for business development:

Municipal Council has identified the following issues have the highest priority and rank in determining the value of an economic development incentive:

- The business results in the creation of new jobs that are targeted to provide for a "home buying wage" and jobs that promote permanence and stability in the City.
- The business results in the construction of exemplary facilities with attractive landscaping, equality architectural styling or feature, and consideration for improving the appearance of the City's commercial and industrial areas.
- The business provides a return to the community in terms of its ability to be a catalyst to an area of the City by encouraging other new or expanded development; its ability to provide jobs to a segment of the area's labor force; or its contribution to the City's fiscal growth.
- Business that are participants in community partnerships with the City, the School Districts, and institutions of high learning are to be encouraged.
- Incentive programs for the retention and growth of existing businesses in the community shall be a City priority.

When it is determined to be in the best interest of the City, the Municipal Council may make available an incentive for specific types of businesses to be developed in designated areas of the City.

The City of Logan established guidelines for the use of an area business fund (Resolution No. 98-104) that include:

Use of funds should be subject to the following conditions:

Links to City Objectives

1. Transportation—The project should comply with City objectives to maintain transportation capacity by use of access management, etc.
2. Parking—The loan recipient agrees to sign a binding agreement in favor of supporting city parking policies—most importantly providing adequate parking for employees and reserving parking for customers (including city-owned lots).
3. Preference will be given to projects that most closely fit with City development objectives including.

- Development in specified areas of the City where economic impact will be greatest or redevelopment is most needed, e.g. Downtown and Central Commercial areas, Cache Valley Mall area south of 1400 North, South Main RPA and adjoining the “Y”, 1000 West and 200 North
- Enhancement of historical themes and preservation or enhancement activities
- Development of pedestrian-friendly areas
- Promotion of businesses that are the most beneficial environmentally
- Promotion of locally owned businesses
- Creation of jobs within Logan which allow advancement and upward mobility or which pay more than median salaries and wages
- Retention of businesses in Logan which may need relocation, expansion, or improvement assistance
- Development of businesses that will act as catalysts for other local business growth Information Requirements

Terms of Financing

1. Amount of City loans—loan amounts will be a minimum of \$20,000 to a maximum of \$100,000 representing 25% -50% of the total project cost based on level of conformance with City or Redevelopment Agency objectives.
2. Interest—will be equal to the AAA municipal bond interest rate at the time the Municipal Council approves the loan. The AAA municipal bond rate index lists the current interest rates by number of years of the period.
3. Loan Security—loans shall be secured by a lien against the property or equivalent security.
4. Length of Loan Period—all loans will be short-term loans, with 5 years as the standard length. Considerations of extended terms may include increased interest rates.
5. Payback Terms—may be negotiated according to borrower's circumstances and may include interest-only payment period, balloon payments at end of payment period, payments based on a longer amortization period combined with a balloon payment, or a combination of these.

The City of Logan and Cache County provided a commercial property profile on lease rates and vacancies.

**LOGAN COMMERCIAL PROPERTY PROFILE
Market Report 2010**

CACHE COUNTY - LOGAN CITY			
OFFICE		INDUSTRIAL	
Lease Rates / SF	\$9.00 to \$14.50	Lease Rates / SF	\$3.50 to \$10.00
Vacancy	12% to 18%	Vacancy	5% to 10%
CAP Rates	8.5% to 10%	CAP Rates	8.0% to 10%
Land Value / SF	\$5.00 to \$15.00	Land Value / SF	\$1.25 to \$5.00
Outlook for 2010		Outlook for 2010	
This market has been softer due to new construction that occurred primarily in 2006 and 2007. Business formation and growth has also slowed and vacancy has increased into the 15% to 20% range.		This market segment continued to grow through 2008 but has slowed in 2009. There is not much vacancy in buildings that are 10,000 SF or larger; however, there remains vacancy in smaller incubator - multiple tenant buildings.	
RETAIL		MULTIPLE FAMILY	
Lease Rates / SF	\$10.00 to \$25.00	Rental Rates	
Vacancy	10% to 15%	Studio	\$200 to \$400
CAP Rates	9.0% to 10%	1 BR, 1 Bath	\$300 to \$400
Land Value /SF	\$12.00 to \$25.00	2 BR, 1 Bath	\$425 to \$600
		2 BR, 2 Bath	\$550 to \$725
		3 BR, 2 Bath	\$625 to \$825
Outlook for 2010		Outlook for 2010	
There was new construction in 2007 and 2008 that was completed in early 2009. There was much absorption of retail space in the old Macey's at the end of 2009. However, there remains vacancy in some of the neighborhood centers on the north & south ends of Logan		Because of decreased new home construction in 2008 the apartment market strengthened in the 2nd half of the year. However the slow economy in 2009 softened demand slightly. There was higher vacancy in student apartments for the 2009 school year compared to 2008.	

FLAGSTAFF, AZ The City of Flagstaff has adopted goals for economic development as “seeking to retain and strengthen existing local business while helping to grow and attract innovative companies for sustainable economic health.” (web site) The city’s industrial development authority (IDA) is established “to promote industrial growth in the city, county, and state .. and to take advantage of tax-deferred bonds available at a lower interest rate than traditional financing.”

The city has identified the following key industries for its focuses in area economic development as taken from its web site:

Flagstaff Key Industries

Businesses, entrepreneurs and job seekers from around the world are attracted to Flagstaff's innovative spirit and friendly business environment. Historically, Flagstaff's innovative spirit is known for discovering Pluto at Lowell Observatory and as NASA's proving ground for the first manned moon mission. Fast forward to today and Flagstaff's innovative business spirit has helped promote new industry sectors like bio-science and successful bio-science companies such as W.L. Gore, Machine Solutions, TGen North and Senes-Tech. Bio-Science along with advanced manufacturing, transportation and logistics, emerging technology, clean tech, tourism, retail and healthcare represent Flagstaff's core industry sectors.

Advanced Manufacturing

Manufacturing companies thrive in Flagstaff because we offer an affordable, well trained workforce and convenient access to major markets by rail, freeway and air. Flagstaff's manufacturing community produces everything from heart stints at W.L. Gore & Associates to ice cream cones at Joy Cone, who produces millions of cones a year. Our manufacturing company's strengths range from traditional manufacture's like Nestle-Purina to Prent Thermoforming, an international leader in precision packaging for companies like Apple and W.L. Gore.

Emerging Technology

Flagstaff's strong entrepreneurial spirit is fueled in part by the city's educated workforce, cutting edge research, NAU graduates, and local quality of life. The Northern Arizona Center for Entrepreneurship and Technology, or NACET, is a

10,000 square foot incubator facility that assists entrepreneurs and creates low impact/high paying jobs for the region. NACET partners with a wide variety of non-retail, service, manufacturing, high technology, science and renewable energy firms, offering a hands-on business incubation engagement program designed to transform innovation into viable companies.

NACET is currently undergoing a massive expansion, with an additional 25,000 square foot accelerator program that will provide a "soft landing" for companies graduating from the incubator. The accelerator will provide shared wet/dry lab space, manufacturing, and office space providing a cost effective and scalable site for pre-revenue companies. Two additional 25,000 square foot facilities will complement NACET's efforts.

NACET is one of the leading incubator programs in the country and recently won the 2012 Governor's award for economic development.

Clean Technology

The City of Flagstaff is home to a growing number of clean tech/clean energy startups. With an average annual 288 days of sunshine in the high desert above the Mogollon Rim, it's natural that solar and wind energy innovators have chosen to locate in Flagstaff or the immediate surrounding area. Whether streamlining related permit or energy processes, or improving ways to chase the sun, Flagstaff has the climate and the people to grow clean and green.

Bioscience

Flagstaff's bioscience industry has quickly become one of its fastest growing sectors. In fact, Flagstaff is 13 times more specialized in biomedical manufacturing than any other city in the United States. W.L. Gore and

Associates, the creator of GORE-TEX and other innovative, life saving products has called Flagstaff home for over 40 years.

TGen North conducts groundbreaking epidemiologic research related to pathogens important to medicine, public health and bio-defense. World renowned scientist Dr. Paul Keim leads TGen North's genomic division and is one of the foremost experts on anthrax and other dangerous infectious diseases. SenesTech, Inc. has become the leader in reproductive physiology in Flagstaff as well. SenesTech strives to find non-surgical sterilization techniques that will control the pest populations worldwide.

Access to cutting edge research at NAU, major markets, great operational environment and highly trained engineers are some of the key ingredients for Flagstaff's bioscience cluster.

Transportation & Logistics

Businesses need connectivity and Flagstaff is connected. Geographically Flagstaff sits between Interstate 40 and 17, BNSF and Amtrak provide commercial and passenger rail service, and area airports provide one stop air service to almost anywhere in the world. Flagstaff is also situated within a half day's drive to 34 million consumers. Rail spurs are available throughout much of the regions industrial parks providing cost efficient shipping and receiving.

Flagstaff 's proximity to California continues to provide more and more value for national and international clients who want access to California markets without the California price tag and regulations.

Flagstaff to:

Phoenix 142 miles

Las Vegas 252 miles

Los Angeles 467 miles

Albuquerque 323 miles

Regional Airports:

Flagstaff Pulliam Airport – US Airways.

Phoenix Sky Harbor International Airport – Multiple carriers, US Airways and Southwest hubs

Tourism

Flagstaff is the destination for over 4,000,000 annual visitors who come to enjoy outdoor destinations and events. Flagstaff experiences strong demand from international and domestic tourists based on our proximity to the Grand Canyon and other natural wonders. 4,000,000 annual visitors provide a lot of opportunity for the \$390 million tourism and hospitality industry in Flagstaff.

Tourism is the largest industry in Flagstaff with more hotel rooms per capita than Las Vegas, employing over 5,400 employees. In addition to the hospitality industry's economic impact a number of attractions are available for visitors while in town. Flagstaff's well trained hospitality workforce has many skills, and often 4-year degrees, that can be transferred to other service based industries.

COEUR D'ALENE, IDAHO The Coeur d'Alene area has several economic development entities including Jobs Plus, Inc., which is a "non-profit economic development corporation formed in 1987 with a mission to expand and diversify the economic and employment base of Kootenai County, while maintaining the quality of life that has become synonymous with Kootenai County."

"Our strategy is to recruit companies to our area that sell on a national basis, are not location dependent, offer strong wages and benefits to their employees, and are respectful of our environmental concerns," noting further:

- Making a decision to relocate your business requires careful consideration for you, your employees and your family. Not only does the economic climate need to nurture your business, but the surrounding community and physical environment must nurture your personal lifestyle. [...] North Idaho continues to successfully turn its natural resources into a showplace for outdoor recreation and ideal family living.

The Coeur d'Alene Chamber of Commerce on its web site provides this description of the area's economy:

Business & Economy

Traditionally, Coeur d'Alene's economy was based on the natural resources sector. Massive surrounding forests provided timber for mills to convert to boards and plywood. The Silver Valley to the east was at one time the richest mining district in the world. Today it is still one of the richest silver mining regions worldwide. These industries provided high-paying jobs, but they also were subject to cyclical economic downturns and job losses due to technological advancements. While these enterprises continue today, Coeur d'Alene's economic base has expanded to include many new industries.

The tourism industry employs over 10,000 people in northern Idaho, accounting for 6.8 percent of the region's payroll in 2010. Tourism is projected to add 1,560 more jobs in northern Idaho by 2020, with the largest increase in amusements, gambling and recreation. Arts, entertainment and recreation, coupled with accommodations and food services should add 10,000 jobs statewide during the same period.

Diversified manufacturing expanded in the 1990s. Led by Empire Airlines and Unitech Composites, thirty-five businesses are now involved in an aerospace consortium, all producing products for the aerospace industry. Heavy manufacturing is thriving and represented by Ground Force Worldwide Mine Support Equipment and Pacific Steel. The technology sector is currently led by Esterline who specializes in avionics and controls, and Ednetics who specializes in networks and security systems for the education sector.

Kootenai County is served by Frontier's advanced digital network with cutting-edge switching technology and fiber deployment which has attracted customer service call centers to the area, such as U.S. Bank, Coldwater Creek and Center

Partners. To serve potential manufacturers or commercial businesses, the area has more than 12 industrial parks.

BOZEMAN, MT The Bozeman and Gallatin County area have become the fastest growing area in Montana. The City Commission of Bozeman has outlined the following economic development goals and programs (taken from their web site):

Business and Economic Development

As a community, Bozeman endeavors to provide a solid framework within which hard work and personal accountability is rewarded, a high quality community is maintained, and a sustainable economy can thrive. - Bozeman Community Plan

Department Values

- Strengthen and further diversify the local economy
- Increase economic activity
- Create higher paying jobs
- Create high quality employment in Bozeman to match the high quality of life
- Support our homegrown business community

Broadband Master Plan

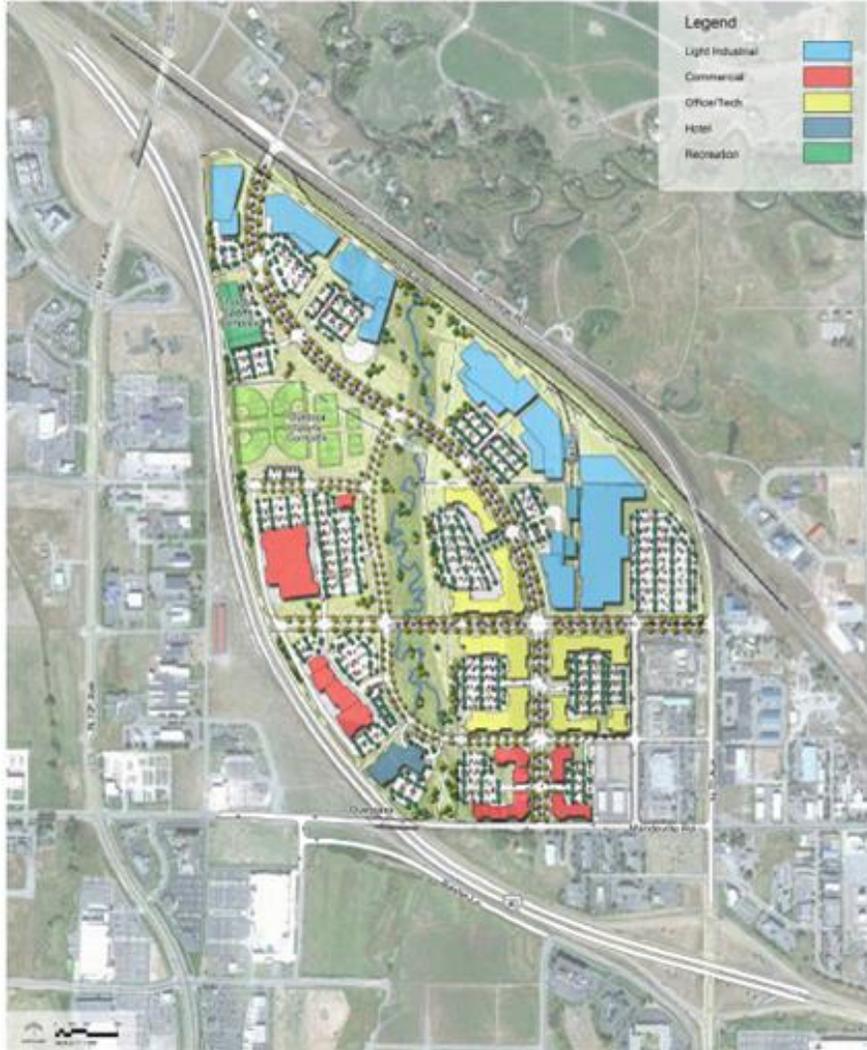
Affordable broadband access is essential for creating high-paying jobs in Bozeman and Gallatin County. Technology firms, medical providers, banks, businesses, and startups require fast, reliable, and secure connections to their clients. Schools increasingly depend on broadband to provide high quality instruction and meet standards for integrating technology into the classroom. Broadband connectivity, however, is only available at high prices or is simply unavailable. This initiative seeks to increase access and significantly lower the cost of broadband for business by stimulating private sector service delivery through public infrastructure investment.

North Park Property Project

The North Park Properties refers to 85 acres of city-owned property and an adjacent 190 acres of State of Montana owned property managed by the Department of Natural Resources and Conservation (DNRC). The city of

Bozeman and the DNRC have collaborated on a collective land use plan that encompasses both properties.

North Park Guiding Vision



The guiding vision for North Park is to create a place in southwest Montana wherein manufacturers of products and/or purveyors of knowledge or information can realize cost savings, increase efficiencies and take advantage

of the existing and potential assets and/or geographical proximities to transportation corridors and air services by strategically locating, relocating or expanding operations into an area supportive of efforts to encourage job growth and increase the economic diversity of southwest Montana.

North Park Concept Land Use Plan

This plan was adopted by the Bozeman City Commission in January 2013, recognizing the community value in developing the North Park Properties in some form using the Plan as a framework for development.

The City-owned portion of the property consists of approximately 85 acres, is zoned M-2 (manufacturing and industrial) and is within the boundaries of an industrial tax increment finance, or TIF, district. The 190 acres of State owned property is zoned M-1 (manufacturing and industrial). The industrial TIF District, encompassing both parcels, was established in 2006 with a 15 year term. The industrial TIF District is 6 years old and approximately 40% through its “life”; It sunsets in 2021. Given the 20 – 30 year time horizon of the Plan, consideration should be given to extending the life of the industrial district.

“ .. high growth, potential sectors include manufacturing and fabrication, along with the bio-science and bio-technology , high technology, photonics, and the outdoor industry as sectors that the City should encourage and support in an effort to create new, higher-paying and skilled jobs while diversifying the local and regional economies.”

Resolution 4426, Bozeman City Commission, January, 2013

Gallatin County also has a Gallatin Business Resource Network that is a collaboration of Montana State University, the City of Bozeman, and Bozeman Area Chamber of Commerce, working with other area non-profit service providers to connect resources with business needs. “By providing this one-stop shop for entrepreneurs and current and prospective businesses, the GBRN becomes an important tool for economic prosperity in the Valley.” (web site)

Prospera Business Network also operates in the Bozeman area. “Members of Prospera are progressive business leaders in Gallatin and Park Counties who desire advanced business collaboration that is relevant and substantial. Our network is interested in gaining knowledge to make their businesses better, and ensure that our communities are a great place to live and work.” (Prospera web site)

TWIN FALLS, IDAHO The Twin Falls area also is seeing some recent success in redefining the area economy that includes additions to area manufacturing. The following are excerpts from articles published in the Twin Falls newspaper.

Southern Idaho Economic Development Organization (SIEDO) joins private and public economic sectors throughout the region. SIEDO Executive Director Jan Rogers helped 40 corporations expand and/or move to the Magic Valley since 2001. Now that the area's agriculture core is strengthened by dairy and there are solid plans for downtown Twin Falls and the commercial center along Blue Lakes Avenue, Rogers said the next step is to package those pieces with Idaho's natural beauty.

"They never packaged and marketed it in a way to make it resonate," Rogers said. "Now is the time to do that. Not just because of the economy but because of the way we diversified our core as well as outside of our core. We're not as vulnerable as we used to be or the way other places are. What can we do to create that place image in peoples' heads that works for business, life and scenery?"

June 03, 2013 2:00 am • [By Joe Cadotte jcadotte@magicvalley.com](mailto:jcadotte@magicvalley.com)

Twin Falls is the home of cheese producer Glanbia Foods, a major American division of the Irish food company [Glanbia plc.](#)^[37] Falls Brand, another award-winning food company, is located in the southern part of Twin Falls. In early 2011, Falls Brands' Old Fashioned Basque Chorizo sausage won the "Hold The Mustard" award presented by the National Meat Association (NMA) every year during their annual, "NMA Annual Gourmet Sausagefest."^[38] Another mainstay is The College of Southern Idaho(CSI). Boasting a student-population of 3,433 students, this Junior College is an alternative to students not yet ready to attend a four-year university. Many students are from out of state living in CSI's residential halls.^[39]

Other large employers include [Amalgamated Sugar Company](#), makers of White Satin sugar^[40] and [Lamb Weston](#) which has a food processing plant located in west Twin Falls. It employs no less than 500 residents and its annual revenue is about \$100 million per annum.

in October 2010, C3, a customer call center, opened in the former Dell facility. It was a large boost to an already busy economy providing close to 1,000 jobs.,^[44] and in July 2011 C3 announced that an additional 300 C3 jobs would be created in Twin Falls due to brisk business.

n November 2011 Agro-Farma announced that they will construct a state of the art processing facility in Twin Falls which will produce the company's Chobani brand Greek style yogurt. With the announcement came the prospect of 400 initial jobs and at least \$100 million for constructing the processing facility and the possibility of close to \$300 million in additional revenue for Southern Idaho dairymen