

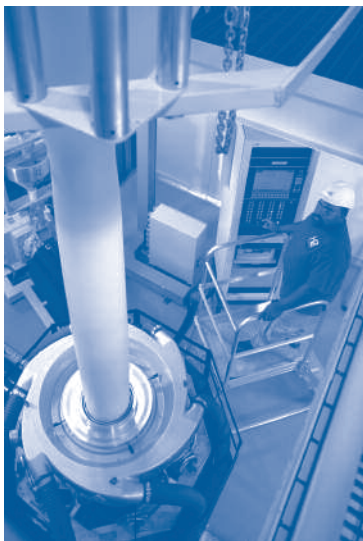
# OUTLOOK

ECONOMIC DEVELOPMENT IN SOUTHERN IDAHO

## HILEX POLY OPENS FACILITY IN JEROME

Hilex Poly celebrated the grand opening of their Jerome facility on September 21 with a welcome from Idaho Governor Dirk Kempthorne and tours of their 150,000 square foot facility. The Jerome facility serves as Hilex Poly's western presence for the manufacture of plastic T-Shirt bags.

Headquartered in Hartsville, South Carolina, Hilex Poly Company, LLC, is the largest manufacturer of plastic grocery bags in the United States. The grand opening marks the completion of their third expansion phase since production began just six months ago. This rapid growth brings Hilex Poly Jerome up to their full capacity of 100 employees operating 24/7 to



meet its goal of producing over 5 billion plastic bags annually.

"We are so pleased to be a part of the community of Jerome and the state of Idaho," said Mike Schutz, Jerome plant manager. "We have so many people to thank for their role in helping us relocate in Jerome and get the plant up and running. We're happy to bring many of those folks to our grand opening to express our appreciation and show off our new facility."

Hilex Poly announced plans to build a new facility in Jerome just 15 months ago to serve as their western presence for the manu-

*(Continued on Page 2)*

## CHEESE MAKER -- GOSSNER FOODS, INC. -- OPENS IN BURLEY

Gossner Foods, Inc. celebrated the opening of their newest cheese production plant in the southern Idaho community of Burley. This new facility will allow Gossner to expand their Swiss cheese production capabilities. Gossner will occupy 40,000 square feet, adding an additional 110,000 square feet to this space.

Headquartered in Logan, Utah, Gossner Foods is a successful family business that is one of the largest Swiss cheese producers in the United States specializing in Swiss and Muenster cheeses.

Gossner plans to take in a million pounds of milk a day at full capacity, 15,000 to 20,000 head of cattle will be required to produce this much milk. Initially 500,000 pounds of milk will be processed each day from local dairy herds. Gossner's \$25 million, 15-acre plant, will initially hire 30 employees the first year of operation that will focus primarily on Swiss cheese and curd cheese. Production of Muenster may be added later. An on-site retail facility selling locally made cheese and Gossner cheese products manufactured in Utah will be completed in early 2006. Future

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## YEAR IN REVIEW

SIEDO shared its 2004/2005 annual report to board members in September, reviewing economic development progress over the past 12 months and sharing insight into what the next year holds. Here's a quick look at some of the year's highlights.

As a result of our regional approach to economic development, ongoing aggressive marketing and public relations efforts, direct contact with companies, hits to our website, leads from Idaho Commerce & Labor as well as consultants, last year, we fielded an impressive 29 qualified new business leads from businesses wanting to learn more about our area. In turn, 11 of those leads resulted in personal visits to the area.

Five companies chose to expand into southern Idaho in fiscal 2004/2005: Hilex Poly, Jayco, Gossner, Keifer Built and Les Schwab. In addition, many established companies expanded this past year: Glanbia Foods; S&G Produce; Hamilton Manufacturing; Automated Dairy; Everton Mattress; Magic Valley Milk Producers; R&R Welding; Kodiak; and Western Alfalfa.

As fiscal 2004/2005 closed, some 21 active new business leads are already identified for 2005/2006. With the inclusion of Blaine County and the City of Hailey to SIEDO, this year will undoubtedly bring significant economic development success to this region.

Jan Rogers  
Executive Director

## About Us

The Southern Idaho Economic Development Organization (SIEDO) was formed in June 2001 as a joint venture of public and private sectors to help diversify and strengthen the local economies of Twin Falls, Jerome and Mini-Cassia. SIEDO: Builds support within the community for economic development and marketing programs; promotes retention and expansion of existing firms; implements a focused, cost-effective marketing plan to attract new firms to the southern Idaho area; and stimulates new startups.

SIEDO positions the southern Idaho area as a highly desirable location for corporate executives and site consultants to consider. New businesses will also be attracted via various marketing efforts targeting appropriate industries. An easy-to-use web site incorporating this new identity — [www.southernidaho.org](http://www.southernidaho.org) — allows anyone interested in learning about southern Idaho to access valuable information quickly and easily.

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*(Hilex continued)*

ufacture of plastic T-shirt bags. Yet, Hilex has grown three times faster than planned. According to Hilex chairman Leon Farahnik, this fast-paced growth is credited to the area's strong workforce and pro-business environment both locally and at the state level. "When we were looking for a new site, we never thought we'd end up in the state of Idaho," Farahnik said. "When we came here, people welcomed us with open arms. It has been a great decision."

Schutz is also pleased that Hilex

*(Gossner continued)*

growth plans could include a UHT (Ultra-High-Temperature) milk plant and a cheese cutting and packaging operation which would require additions to the plant structure and more employees.

Gossner spent nearly \$60 million on milk in 2003, with \$25 million credited to dairies in Eastern Idaho.

## LES SCHWAB TO OPEN TIRE RETREAD FACILITY IN RUPERT

Les Schwab announced in August 2005 the opening of a new tire re-treading facility later this year in Rupert, Idaho. The 32,000 square foot manufacturing plant is slated to begin operations by the third quarter of 2005.

After looking at numerous southern Idaho communities in an extensive search for the best location for a new facility, Les Schwab chose Rupert thanks to numerous business factors. "Rupert had a ready-to-occupy large building with additional land availability, which gives us the space to grow and expand future operations here. Rupert also has a very qualified base of employees from which we can draw," said Dave Husk, director of development for Les Schwab. "This central location in Idaho will allow us to better and more efficiently serve our Les Schwab stores in the Intermountain West," Husk said. "Trucking time alone from Rupert will save us one full day of

Poly's decision one year ago to expand in Jerome has opened up opportunities for growth sooner than planned. "We've been going full speed since March to get the facility up and running," Schutz said. "We couldn't be more pleased with our decision to operate in Jerome. That decision has already paid off substantially. And I have no doubt that after September when we're settled in with our production capabilities, we'll be talking about further expansions in 2006."

Among the incentives offered to Gossner Cheese was a \$500,000 Community Development Block Grant, \$150,000 in Workforce Development Training funds, and additional local incentive through the Business Plus III for over \$50,000.00

transportation time on orders. This will be a very efficient and productive facility."

The Rupert plant will handle tire re-treading orders from Les Schwab retail tire locations in Idaho and Utah.

Les Schwab has already begun moving into their new building, installing equipment and upgrading the electrical system. An initial staff of 18-20 will be hired with 30 by the end of their second year. "We're proud to welcome Les Schwab to our community," said Sherri Miles, director of community and economic development for Rupert. "They will occupy a large building that has been vacant for some time and create numerous manufacturing jobs. They will be a positive addition to our business community."

Les Schwab, headquartered in Prineville, Oregon, is a privately held company with 384 company and member dealer stores in seven Western states.

## JAYCO, INC., EXPANDS FACILITY

Jayco, Inc., an Indiana based manufacturer of recreational vehicles, will expand their first western facility located in Twin Falls, just seven months after production began in February 2005. This expansion will allow Jayco to meet the growing demands for RV's.

"Since our first units were produced in February, we have been able to increase our daily production by one unit per day for the last six months," said Dave Yoder, Twin Falls general manager. "With this success and the availability of qualified employees, we made the decision to start up a second production line which will create an additional 80 jobs over the next 12 months." With some modifications to the current building, tools and equipment, Jayco will invest \$300,000 to support this second line operation.

Jayco, a privately owned company based in Middlebury, Indiana, builds its



popular line of Jay Flight travel trailers in Twin Falls. With this second line in operation, Jayco plans to produce 18 to 20 units per day, and by August 2006 have 170 employees.

Jayco, Inc. is one of the nation's largest builders of recreational vehicles. The company makes and markets folding camping trailers, travel trailers, fifth wheel trailers and motor homes under the Eagle, Designer, Jay Series, Jay Feather, Jay Flight, Talon, Escapade, Greyhawk, Granite Ridge and Seneca brand names.

## BLAINE COUNTY AND CITY OF HAILEY JOIN SIEDO

Blaine County and the City of Hailey are joining the Southern Idaho Economic Development Organization (SIEDO) to further market the region to prospective businesses and tap into SIEDO's aggressive marketing efforts. The announcement was made after a meeting between representatives of Blaine County, the City of Hailey and Jan Rogers, executive director of SIEDO and Lee Wagner, SIEDO executive board member.

"We're very excited to add Hailey and Blaine County to our organization," said Rogers. "Having them in our regional marketing mix will further diversify the areas and assets we offer from our region to prospective businesses looking to relocate or expand. This is a win-win situation for everyone."

Together, the City of Hailey and Blaine County will contribute \$11,000 annually in funding to participate in SIEDO's efforts. Both Hailey and Blaine will be incorporated into all of SIEDO's marketing materials and web site.

"Joining SIEDO will open the doors for us in recruiting the types of businesses we hope to secure in the Wood River Valley," said Jim Spinelli, executive director of the Hailey Chamber of Commerce. "We want high paying businesses to consider the Wood River Valley for relocations or expansions and SIEDO will help us to do that. We've tapped into a gold mine by joining SIEDO."

The City of Hailey and Blaine County join fellow SIEDO members, Twin Falls City and County, Jerome City and County, City of Buhl and Minidoka/Cassia County.

## Did You Know?

Business Plus is a privately funded economic development organization that has been operating under the Twin Falls Chamber of Commerce umbrella. When the organization was a novel concept at its inception in 1988, the group's fundraising and business support efforts focused on counties in the Magic Valley. So working under the Twin Falls Chamber was the most convenient, cost-effective group to oversee Business Plus' operations.

Due to the on-going success of Business Plus, it was determined in 2003 that the organization should take on a more regional approach to economic development, rather than limit efforts just in the Magic Valley. As part of that growth, investors were asked for their input on whether Business Plus should become a stand alone entity and move out from the Twin Falls Chamber.

The feedback was overwhelmingly supportive of changing the organization to its own entity. And the Chamber was likewise in favor of this change. This adjustment would allow the organization greater control over its operations, the ability to explore new fundraising and/or business support models (ie, loans), and further its regional focus.

Business Plus is in the process of filing necessary legal and tax documents to become a self-sustaining program.

Once the change is formalized in about 12 months, specifics on how the organization will transfer monies and other assets will be determined. It is anticipated that this move will allow Business Plus to grow stronger in future years.

For more information or a funding application, call 208-324-7408.

## POWER ENGINEERS IN HAILEY UNDERGOES EXPANSION

**P**OWER Engineers, an international design engineering and consulting firm headquartered in Hailey, Idaho is expanding to include a new \$3 million, 26,000 square foot building at its current location. The new building will allow POWER to consolidate its operations currently housed in four separate structures into two primary buildings and one support structure. The new facility is slated to open in May or June of 2006.

POWER Engineers was established in 1976 in Pocatello primarily to serve rural electric accounts in Idaho. Two years later, POWER Engineers' founders decided to move their headquarters to Hailey due to close airport access and the quality of life living in Hailey offers. Today with 14 offices in the United States and three internationally, POWER employs some 700 people, 200 of which are in Hailey. POWER'S second largest office is in Boise.

POWER Engineers currently occupies the original 30,000 square foot building built in 1990. Since then, they have added a temporary 8,000 square foot modular structure adjacent to the building and have leased two additional buildings nearby as growth continued. They expanded their Boise office three years ago and now the Hailey office is undergoing its own expansion.

"This expansion will allow us to house part of our business office in the current building and the remainder of the operations in the new facility," said Frank Halverson, chief operations officer at POWER Engineers. The modular building will be used for storage, employee training and conference rooms."

"With the new building, we will have the ability to further expand our Hailey office over the next several years," stated Halverson. "We're currently looking for 20-30 transmission, substation engineers to support our Hailey operation and about 40 additional staff for our other U.S. offices."



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