

OUTLOOK

ECONOMIC DEVELOPMENT IN SOUTHERN IDAHO

WOW Logistics to Open Regional Distribution Center in Jerome

WOW Logistics Company plans to build a 232,000 square foot state-of-the-art regional distribution center in Jerome, their first major facility built outside their Wisconsin headquarters. Groundbreaking is slated for May 9, 2002 with the facility operational by early December 2002. WOW Logistics Company, Wisconsin is a full line warehousing, distribution and logistics company.

The distribution center will be built in Jerome to support general manufacturers, the dairy industry and multiple processors in southern Idaho and the entire Northwest region. WOW will offer flexible storage, distribution and



logistics services on either short-term (30 days) or long-term (multi-year) leases. Wow expects to expand the facility in three years and will be fully staffed by up to 30 employees. This facility will offer complete inventory control, communications,

customer service, internal building design, engineering, construction and inventory financing programs for qualified customers. Land will also be available for future expansion or build-to-suit for distribution or manufacturing for third parties.

Jerome was selected over three other Northwest locations thanks to its proximity to WOW's primary customer

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Dell Announces Second Expansion

In less than three months of operation, Dell Computer's technical support facility in Twin Falls has seen two significant expansions since opening this past February. Just three weeks after opening its first technical support center in the Mountain Time zone, Dell announced that an additional 200 jobs would be added, nearly doubling its initial employee base of 243.

Then in mid-April, Dell said it would add customer service functions to this facility. Initially, 50 full-time jobs will be added with an additional 125 projected to com-

plete the customer service staff by year-end. Combined, both operations will employ some 600 employees by the end of 2002.

While interviewing candidates for the technical support positions, Dell found many candidates to be more qualified in the area of customer support. This generated discussions at Dell's corporate office in Austin, Texas to co-locate a technical support/customer service operation in Twin Falls as they have at their two hub offices in Nashville and Austin.

"We were very pleased with the caliber

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Welcome

The City of Twin Falls came out in force for the grand opening of Dell Computer Corporation's technical center on February 20. What an exciting day this was for our community with state, local and Dell officials present to welcome an important new corporate member to our community.

The subsequent publicity for Twin Falls and the Southern Idaho region was extensive, not only in Idaho print and television media but national outlets as well. Most importantly, our press release was picked up by the national AP Business Wire and ran on several news wire / financial web sites. Several site selection trade magazines have or will be running stories about this as well, giving southern Idaho greater exposure to those in the site selection business.

We've met with several local businesses to discuss expansion opportunities and helped facilitate issues that may stagnate local retention.

With our web site up and running, -- www.southernidaho.org - marketing materials developed, and ongoing direct mail and public relations efforts, we anticipate the southern Idaho region will be on the radar by more businesses considering new locations than ever before.

The message about this region and the numerous advantages it offers is just beginning to get out. The resulting efforts should bear many opportunities for this area in the months and years ahead.

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 economics of Southern Idaho. SIEDO will: build support within the community for economic development and marketing programs; promote retention and expansion of existing firms; implement a focused, cost-effective marketing plan to attract new firms to the southern Idaho area; and stimulate new start-ups.

A new identity for the region by SIEDO positions the area as a highly desirable location for corporate executives and site consultants to consider. New business will also be attracted via various marketing efforts targeting appropriate industries. An easy-to-use web site incorporating this new identity -- www.southernidaho.org -- allows anyone interested in learning about Southern Idaho access valuable information quickly and easily.

Visit our web site at
www.southernidaho.org

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base of dairy, cheese, agriculture products and manufacturing as well as it's available workforce. "We found that the city of Jerome had so much to offer as we considered expanding in the Northwest," said Bob Rossi, business development manager of WOW. "This new location had to meet several important criteria. It needed to be close to our key customer base, offer a capable workforce and offer both rail and interstate access. While Jerome met these criteria, we also found a very positive business environment there and proactive assistance from Jerome's economic development group, city, county and business leaders. We look forward to joining Jerome's business community."

According to Southern Idaho

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and quantity of individuals who applied for our tech support positions and many of them were instead excellent candidates for a customer support position. But this service was not yet available here," said Michael Jaillet, Dell's site director in Twin Falls.

"Thanks to these folks, we decided that we could add a customer service center here and be able to immediately staff it with these highly qualified individuals. This new operation will not only provide these candidates with a good job opportunity at Dell, but it will help diversify and stabilize this Twin Falls facility."

Those customer service staff who demonstrate a technical aptitude will be considered for an internal career path leading from customer service to technical support and then possibly on to management,

WestFarm Undergoes Major Expansion

A \$50 million dollar expansion is underway at WestFarm Foods in Jerome. A highly automated, technically advanced 70,500 square foot dehydration facility is now under construction with completion slated for late July. The new facility will process 3.3 million pounds a day of local milk into non-fat dry milk. While

Economic Development Organization executive director Jan Rogers, WOW's addition to Jerome will have a positive effect on the entire region. "WOW's facility will provide additional service infrastructure to southern Idaho and the entire Northwest region as a full line warehousing, distribution and logistics company. We welcome them to our community."

WOW's initial employee base will include customer service, material handling operators, systems and management expertise as well as some supervisory and managerial positions.

With primary operations in Wisconsin, WOW services several industries including: forest products, packaging, food, auto and apparel.

employee training or mentoring of tech support reps.

The College of Southern Idaho is developing a customer service curriculum for potential Dell candidates. Also, CSI will now offer evening technical support classes to allow those customer support staffers who work during the day to train in technical support at night and hopefully moving up the ladder at Dell.

"We frequently survey our customers regarding the level of service they received by Twin Falls tech-support staff. And, the feedback has been very, very favorable," said Jaillet. "We're confident we'll receive the same positive results about our soon-to-be-hired customer support folks. We're very impressed with the ability of workers here in Twin Falls."



WestFarm's Jerome plant has been solely a milk condensing facility, this new operation will now include taking milk to the powder stage, a process formerly handled by their Caldwell facility and two in Washington. Dry milk is mainly used in infant formulas, nutritional drinks and baking products.

"Now that we'll be able to also dehy-

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drate our milk right here in Jerome, we expect to see a significant decrease in our long distance hauling expenses for condensed milk," said plant manager Scott Burlison. "We'll also be adding a fully automated packaging system for the dry milk which will eventually be shipped throughout the United States and abroad."

According to John Underwood, senior vice president of operations for WestFarm Foods in Seattle, the Jerome expansion is part of WestFarm's long-term strategy to increase its manufacturing presence in Idaho and grow profitability. "Idaho is one of the most advantageous regions in the country for milk production and processing, so expanding our Jerome operation was just a natural and positive step for WestFarm," he said.



In addition, WestFarm has had a very positive experience in working with Jerome leaders, not only when the facility first opened in 1999, but with this expansion as well. "We have a very successful partnership with the City of Jerome," Underwood said. "The Jerome City Council, Urban Renewal Agency and Region IV Development have been helpful in securing block grants, Tax Increment Financing and providing training funds for our employees. They have been great to work with and have helped make our Jerome expansion much easier."

Some of the additional 23 full time staff positions are now being hired. These new staffers will bring Jerome's operation to a total of 40 employees.

Region IV Development Helps Businesses

Southern Idaho's Region IV Development Association (RIVDA) is one of the most important business assistance organizations available to companies and communities in this region. Whether a new or existing business, a large or small community, or an employer looking for job training, Region IV is often the most vital and helpful contact when infrastructure, economic and/or human resource needs arise.

Region IV was established in 1976 to encourage development and support diversification of South-Central Idaho's economy and provide businesses with a one-stop shop where they could go for community and economic development, workforce training and small business development loans.

Today, RIVDA supports any size business in any of southern Idaho's 8 counties -- Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka and Twin Falls -- with most aspects of business and community development.

Community & Economic Development
Since 1986, this division has obtained over \$64 million in state and federal funds for

communities in this region to support infrastructure development or expansion. For a community needing to put in gutters, water or sewer lines, or needing to improve or expand their current infrastructure, a call to this office will initiate help in securing funding sources. Assistance includes preparing applications for city and county business development and administering federal and state funded development projects, to name a few. Any size community may qualify for the assistance and funding they can provide.

S. Central Idaho Works! Board & Workforce Training A trained workforce is essential for continued community development. RIVDA administers Employment & Training Programs for the region and has since 1982. Since 1993, over \$7 million dollars in employment and training funds for adults, youth and dislocated workers have been administered by RIVDA. A locally-appointed, Governor-certified, business-led Board directs the efforts of the Workforce Development Division of RIVDA. It is called the South Central Idaho Works! Board. Current focus is on creating and operating a One-Stop Career Center System

Growth and Expansion

Cattleman's Choice Loomix will build a manufacturing plant at Twin Falls' truck-train transloading facility, where molasses-based liquid feed supplements for the dairy and beef industries will be produced. Construction will begin in May with the Loomix plant slated to open in August. The plant will initially employ three to five employees with an additional three or four hired at a later date.

Kenneth Munsch, president of Cattleman's Choice expects 80 percent of the feed supplement produced in Twin Falls to be used in the Magic Valley. Other shipments will be sent to Montana, Nevada, Utah, Oregon and possibly Washington. While Cattleman's choice looked at other sites, Twin Falls' industrial revenue bonds were the deciding factor, according to Munsch. Twin Falls' Industrial Development Corporation authorized an industrial revenue bond issue of up to \$1.5 million in Cattleman Choice's name to finance plant construction.

Solo Cup in Twin Falls has recently completed a significant expansion after landing Costco's account to produce 70 percent of their wholesale cutlery and packaging of 330+ utensils. To meet these production increases, Solo Cup has added equipment, production capabilities and 24 additional machine operators, all within the confines of the current building. Another eight staffers might be added later this year.

"This is the most significant expansion since we opened our doors in 1998," said the Twin Falls' plant manager, Ken Becker. "The injection molding machines are larger than anything that we've seen in this plant."

This contract increases the plant's total production by about 25 percent. Costco will buy its entire heavy-duty cutlery from Solo Cup. Some 30,000 cases of product will be shipped in April (360 pieces of silverware per case), with 40,000 cases in May and 60,000 monthly beginning in June.

providing assistance to both businesses looking for employees and individuals seeking employment.

Small Business Development

Loans If your business has net tangible worth asset of less than \$7 million and a net-profit-after-taxes less than \$2.5 million annually, you're considered a "small business" and may qualify for two loan-funding sources offered by this division. Loan amounts come in all sizes, depending on the type of loan and project need. This division has made several loans using the maximum amount, \$1.3 million, and has loaned money to various businesses down to the smallest loan of \$5,000.

The Revolving Loan Fund (RLF) offers loans to encourage expansion, retention and/or start-up. Loan monies can be used for land purchases, construction, machinery, equipment, inventory, and working capital.

Commercial lenders normally provide about 50% of the financing with RLF providing up to 40% of the

remaining amount. The borrower is required to inject a minimum of 10% of the project as cash or equity in the land. Since 1986, RIVDA has provided 78 businesses with a RLF loan, loaning over \$3.6 million. The maximum loan amount for this program is \$150,000.

The U.S. Small Business Administration 504 Program (SBA) is a fixed-asset financing tool offering fixed interest rates for either 10 or 20 years at or below existing market rates. Monies can be used for building construction or acquisition, land purchase, and machinery and equipment purchases. This program can finance no more than 40% of a project with a maximum loan being \$1.3 million. Since 1986, they have secured SBA funding for 97 businesses totaling over \$26.3 million.

For cities, counties and businesses wanting to develop, expand or diversify, Region IV Development Association is a vital partner who provides both leadership and support to

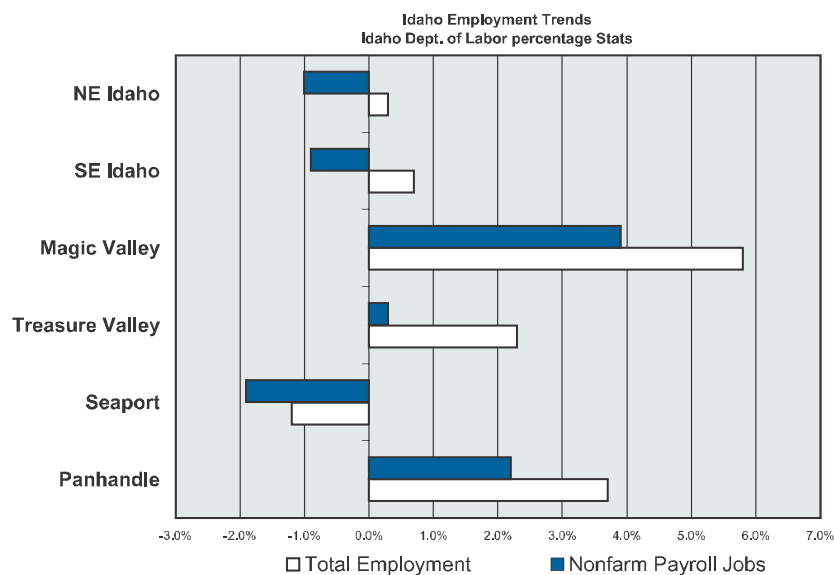
assure sustainable community development happens in south-central Idaho. They can be contacted by calling 208-732-5727.

For individuals and businesses looking for assistance beyond that offered by Region IV -- particularly for advisory and brokering assistance to buy or sell a business -- Cooper Norman Business Brokers & Advisors (CNBBA) in Twin Falls provides a full range of professional services.

CNBBA provides assistance with selling and marketing of existing businesses, valuations, succession and exit strategies and franchise opportunities. Business consulting services are also available for start-up assistance, business plans, valuations, sales and marketing strategies as well as financial and business financing assistance. For further information, log on to CNBBA's web site at www.cnbba.com.

Did You Know?

The Magic Valley experienced a 5.8% increase in total employment in January 2002 over January 2001, making it the region with the highest percentage of job growth in Idaho. The Magic Valley has remained largely insulated from slipping employment, layoffs and general economic downswings. The region's ability to remain economically balanced is credited to the diversification of its economy. These employment numbers for The Magic Valley should remain relatively stable for the remainder of 2002 as we see employment growth in several of our key economic sectors: from the many retail shops opening soon along the canyon rim, and expansions at Dell's technical support center, Solo Cup and West Farm foods to name a few, will all create additional jobs in the Magic Valley. Job growth should continue to hold steady if not grow in 2002.



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