

OUTLOOK

ECONOMIC DEVELOPMENT IN SOUTHERN IDAHO

DELL ANNOUNCES THIRD EXPANSION

For the third time since opening in February 2002, Dell Computer Corporation announced that an additional 100 positions will be added to its technical support center in Twin Falls. That will bring their employee base to approximately 650 full-time workers by the end of this year. This Dell facility will also pilot 10-20 part-time workers as a way to help supplement the peaks and valleys of their business.

"To accommodate the 100 new full time workers, 8,500 square feet of unused space in our 48,000 square foot building will be remodeled for operational work space," said Michael Jailliet, Dell's site director in Twin Falls. "Currently, we have 445 staff in our technical support area and the remaining 110 are in the customer service area of our operation."

WESTFARM COMPLETES EXPANSION-PLANS FOR FURTHER GROWTH

In late September, WestFarm Foods completed the addition of a 70,500 square foot technologically advanced milk-dehydration facility, which will convert some 3.3 million pounds of locally produced whole milk per day into cream and non-fat dry milk. That is roughly equivalent to 390,000 gallons of milk per day supplied by dairy farms in the Magic Valley and surrounding areas. In turn, 25 new jobs were added, bringing WestFarm's Jerome operation to 42 employees. WestFarm's 93,000 square-foot facility now extends over 14 acres.

According to senior vice president John Underwood, as local milk becomes more available, production

When Dell opened its first technical support center here in the Mountain Time zone in February, over 200 were employed. Then, just three weeks after opening, Dell announced that an additional 200 jobs would be added, nearly doubling its initial employee base of 243. Dell again announced its second significant expansion after less than three months of operation, by adding customer service functions to this facility and 125 staff.

"The rapid expansion of Dell's operation here, growing from just over 200 staffers at the outset to almost 700 by year-end is unprecedented," said Jan Rogers, executive director of Southern Idaho Economic Development Organization. "We're thrilled of their confidence in the ability of our workers."

will also increase even further. "All of our milk condensing is now funneling into our new equipment," he said "Our flexible plant design will allow us to quickly restart other equipment and bring our processing capacity up to 6 million pounds of whole milk a day."

Market conditions and the growth plans of member dairies will impact the extent of WestFarm's future growth.

WestFarm Foods is the manufacturing and marketing subsidiary of Northwest Dairy Association and produces a full line of dairy products under the Darigold brand.

Where We Are...

The national recession continues to largely miss economically diversified southern Idaho. This area leads the state in new job growth, even with the upcoming closure of Simplot's potato processing plant in Mini-Cassia. The expected available labor force as a result of this closure is estimated to be approximately 600 over the next 18 months. While losing a company that has been a part of the valley for over 56 years, the plant closure provides us an opportunity to attract new businesses looking for an immediate, available talent pool, and an opportunity for established businesses to locate these workers immediately to help maintain or expand their operation. There are signs that this may be happening already.

As southern Idaho continues to diversify its business portfolio with industries representing various areas, we will be in a strong and excellent position to take advantage of new business expansions and relocations once the national economy turns around. Our economic balance and diversification has already given us a solid head start.

Also, September 2002 marked the first year of SIEDO's operation - a year that boasts numerous accomplishments in regards to marketing, public relations, business recruitment and business retention in the southern Idaho region. (See inside's "Did You Know" column for more information.)

We will continue to promote this region through various efforts with our partners in hopes of generating new business opportunities and securing available, qualified workers for established businesses. We look forward to another successful year.



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 -- allows anyone interested in learning about southern Idaho to access valuable information quickly and easily.

Visit our web site at
www.southernidaho.org

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Tapping Into A Valuable Resource For Employee Training

Well-trained employees are vital to the long-term success of any business. But employers — both large and small — often see employee training as an unaffordable luxury that they just can't provide. Unfortunately, those companies haven't heard about Idaho's Workforce Development Training Fund (WDTF) that's available through the Idaho Department of Labor.

Since 1996, Idaho has been providing funds to company's to assist in training new employees and to take full advantage of specific economic opportunities and industrial expansion initiatives in the marketplace. It also allows for skills upgrade training of current workers. Since the program started six years ago, \$2,817,089.00 in WFDT funds have been provided to businesses just in Twin Falls, the bulk of those monies going to Dell for their workforce training.

The WDTF does not replace or compete with current training programs offered through Idaho's technical college system or labor organizations. In fact, Idaho's technical colleges are willing partners available to customize training suited to the specific needs of each business.

Eligibility: Idaho businesses that sell the majority of their products and services outside of the state or the market area in which they are located have funding priority. The company must be adding or preserving at least five permanent positions and the starting entry/training wage should be at least \$6 per hour plus employer-assisted benefits. A short application must be filled out then submitted to Idaho's Department of Labor for grant review and possible approval. The WDTF's "Rural Component" accommodates those businesses in rural communities (unemployment is 6.5% or higher annually, per capita income is less than 80% of the state's per capita personal income level, and is in a county that does not have a city over 20,000 in population), eliminates the requirement of hiring five new jobs, increases the per-training dollars from \$2,000 to \$3,000 and allows for a more simplified application.

Application: Accessing these state funds are quite simple once criteria are met. The Department of Labor (DOL) provides an easy-to-follow nine-step application for grant applicants. Once completed, applications are sent to the

DOL where they will be reviewed by DOL and the Department of Commerce for eligibility.

Monies Available: Funding dollars are flexible depending on the need, yet generally provide up to \$2,000 annually per employee. Under the "Rural Component," the maximum available per-trainee increases to \$3,000 annually. There is no limit on the number of employees who may receive training dollars. Whether a business might need \$10,000, \$100,000 or \$1 million dollars to train its staff, a minimum time invested in a WDTF application is well worth the effort.

CSI as Partner: Ron Shopbell at the College of Southern Idaho serves as liaison between local businesses applying for the WDTF and the Department of Labor to facilitate the application process, provide guidance to businesses throughout the process and spearhead the development of highly tailored training programs for their workers. "This is an excellent program offered by the state to assist businesses in training their people," Shopbell said. "The application process is easy and the Department of Labor is flexible and fair in providing as much training money as they can justify according to their regulations. More businesses really need to take advantage of these available training dollars."

CSI is also part of the Workforce Training Network, a network of six technical colleges and other state agencies involved in providing Idaho's employers with a quality competitive work force. The WTN coordinates delivery of customized training statewide to meet the needs of employers and citizens.

While WDTF is a federal program, Idaho is participating to help companies stay competitive and help communities attract and retain companies. "This program is vital to the economic development of Idaho," Shopbell stated. "It keeps businesses looking at this state as a viable place to conduct business and keeps local resources and money here."

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(Employee Training continued)

Businesses can look to CSI to develop a training program that is tailored to the needs of business and successful in making their employees more effective. In fact, the quality and quantity of training programs developed by CSI for southern Idaho's workforce was a vital factor for new companies that have opened operations here — Dell Computer, WOW Logistics, Seastrom Manufacturing — and

is credited to the expansion of several other established businesses including Solo Cup and WestFarm Foods. The WDTF has been an equally important factor in providing local businesses with funds to train their staff.

For more information about the Workforce Development Training Fund or to obtain an application, contact Ron Shopbell at CSI at (208) 732-6268.

Technology Transfer and Economic Development From INEEL Contribute To The State Economy...And Southern Idaho

By Lyman Frost —

Director of Technology Transfer and Economic Development, INEEL

The Idaho National Engineering and Environmental Laboratory (INEEL) is one of the economic engines that power the Idaho economy. One of nine multi-purpose national laboratories in the nation, the six thousand plus employees at INEEL are just the immediately visible part of the economic impact. Annual wages, salaries, and benefits paid to INEEL employees exceed a half billion dollars. This is supplemented by subcontracts to Idaho businesses that have averaged close to \$90 million per year over the last three years. There are other features of the INEEL that make further contributions to Idaho.

The INEEL is the single largest research facility in the state, providing jobs for over two thousand staff. The research and associated technology that is developed here is of potential benefit to the local, regional, state, and national economies.

Federal legislation requires federal research facilities such as the INEEL to transfer technology to the commercial sector. The INEEL is committed to fulfilling this assigned role and strengthening the Idaho economy in particular. Moving technology out of the laboratory takes place in a number of different ways and is facilitated in large part by the Technology Transfer group at INEEL.

Technology must first be protected before it can be transferred from the lab. The protection establishes an economic value for the technology and allows the company receiving the technology to have an exclusive position. In fiscal year 2001, there were 67 patent applications filed to protect technology developed at INEEL.



INEEL staff scientist Daniel Branagan displays a makeshift knife coated with a metallic coating called Super Hard Steel. The new technology is being licensed in Idaho.

The INEEL uses approved Department of Energy (DOE) methods to transfer the technology from the INEEL to commercial partners. Mechanisms such as licensing, a Cooperative Research & Development Agreement (CRADA), Work for Others (WFO), and technology assistance to communities and small business

are all used. Each of these approaches has been used to generate potential economic benefits to Idaho.

Licenses have been used to form five new businesses in Idaho in the last fifteen months. A license grants a company the right to use an INEEL technology. For example, a company formed in Pocatello called Positron Systems is using a non-destructive examination technique developed at INEEL as the basis of its business. This technology can detect flaws in materials before there is any visible sign.

The technology developed under a CRADA sponsored by Pacific Gas &

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Did You Know?

WOW To Open Ahead of Schedule

WOW Logistics Company's regional distribution center in Jerome will be operational by November 1, one month ahead of schedule. The 225,000 square foot facility will be completed and key staffers will have concluded several weeks of training. WOW will also utilize \$12,000 of Workforce Development Training Funds to train a total of six staffers. The distribution center will support general manufacturers, the dairy industry and multiple processors in southern Idaho and the entire Northwest region. WOW already has contracts with Glanbia in Twin Falls and Jerome Cheese in Jerome.

SIEDO had several accomplishments in its first year of operation:

* Through an on-going regional/business promotional campaign for this area, an extensive amount of exposure resulted in national site publications as well as local and state print and electronic media. Eleven articles in eight national site publications; 30 newspaper articles in four regional newspapers referencing SIEDO; five broadcast stories appeared on two television networks; the Dell story appeared on the internet via Business Wire; 129 Dell articles appeared in the local and regional press.

* The website - www.southernidaho.org -- was on line within four months with almost 10,000 visitors logging on to the site so far.

* SIEDO's director spoke or participated as a panelist at national economic development or related conferences as well as local service clubs

* SIEDO played a significant role with its partners in the recruitment of Dell Computer and WOW Logistics as well as participating in several retention/expansion opportunities in the area.

(INEEL continued)

Electric serves as the basis for a natural gas fueling station for vehicles. This technology has the added benefit of reducing pollution in the area because natural gas burns much cleaner than traditional vehicle fuels.

The WFO process has been used to develop a new technology that generates hydrogen from diesel fuel that can then be used by fuel cells.

The technical assistance program provides up to 40 hours of free technical help to local communities and small businesses.

Typical projects that were conducted included helping a small firm design a new heat exchanger and helping a community determine the stability of a retaining wall that was damaged during a severe rainstorm. This program provides close interaction between the technical talent at INEEL and local businesses and communities.

The company that manages the INEEL, Bechtel BWXT Idaho LLC (BBWI), is also committed to building the economic base of Idaho through investment in the creation of jobs and establishment

of long-term infrastructure to set the basis for economic growth. Since assuming control of the laboratory in 1999, BBWI has worked with private industry, the state, and local groups to create over 3000 jobs throughout Idaho. This was not done with government funds but with investments of over \$4.2 million from the corporate parents, Bechtel and BWXT.

For more information on how your company or community can access opportunities available through the INEEL, contact Lyman Frost at 208-526-2941.

Large Real Estate Inventory

There are several large real estate properties available for new businesses or those considering expansion. Here's a quick rundown on the available inventory of significant properties. For more information on these properties, contact SIEDO at 208-324-7408.

Eastland Warehouse - Twin Falls

356 Eastland, Twin Falls
 Total Building Size 31,040
 Warehouse space -- 13,040 in bldg 1 & 18,000 in bldg 2
 Office Size: 2,384 in bldg 1
 Construction Type: steel
 Year Built: 1975 with upgrade 1994
 Former Use: bean processing in bldg 1 and warehouse in bldg 2
 Available: Immediately
 Total Land Site Size: 2.28 acres



Arkoosh Potato Processing Facility - Gooding

Gooding County
 126,000 square feet approx
 3,000 square feet office space
 1,800 truck shop in nearby bldg
 Total: 34 acres
 Own private railroad spur
 Concrete and steel construction
 Available: Immediate
 Asking Price: \$1.5 million
 Initial phase built in late 1987 - last addition 1999
 Former use - potato processing



Former Anderson Lumber Building - Twin Falls

960 Eastland Drive, Twin Falls, Idaho
 Total Building Size: 50,000 sq. ft. plus 26,000 sq. ft. in outbuildings
 Office Size: 4700 sq. ft.
 Bay size: 26' x 20'
 Construction: Concrete Block
 Year Built: 1996
 Former Use: Lumber/Hardware
 Availability: Immediate
 Total Land Site: 10 acres



Former K-Mart building - Burley

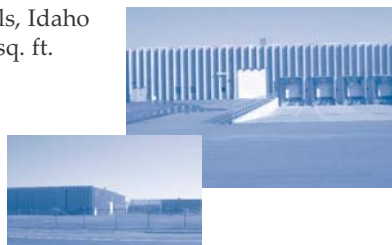
Assessed value: \$2,380,758
 Total Square footage: 91,078
 Garden center 3,468 of total square footage
 Built: 1992
 Zoned: Commercial
 Total Land Size: 8.180 acres
 Building Type: Block
 Available: Immediate

Former Rite Aide Building - Burley

Assessed value: \$640,000
 Square footage: 35,880
 Built: 1972
 Zoned: C-2
 Total Land Size: 4.43 acres
 Building Type: Brick attached with an Albertson's Grocery store
 Available: Immediate

Washington Warehouse - Twin Falls

621 S. Washington, Twin Falls, Idaho
 Total Building Size: 150,000 sq. ft.
 Office Size: 4,800 sq. ft.
 Construction: Concrete
 Year Built: 1970/1990
 Former Use: Factory
 Available: Immediate
 Total Land Site: 16 acres



SOUTHERN IDAHO
 ECONOMIC DEVELOPMENT
 ORGANIZATION