

Advanced Manufacturing Joins Growing Logistics Sector in Southern Idaho

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Southern Idaho Economic Development Organization

Southern Idaho, a region often thought of as agriculturally-based, has recently seen interest from “advanced manufacturers” to expand into this region. While the definition of advanced manufacturing can be varied and include several individual business sectors, one that applies for southern Idaho is “industry and society transforming materials and products.”

Pacific Ethanol, Inc. and Renova Energy both recently announced plans to build alternative energy facilities in the southern Idaho community of Burley. Ethanol, or grain alcohol, is an environmentally-friendly fuel additive that is growing in national popularity as a safe and clean addition to gasoline.

Pacific Ethanol will construct a 50 million gallon per year ethanol facility here with completion slated later in 2008.

“The Burley plant expands our production footprint to new markets in

the Western US, from existing markets in California, Oregon and Colorado,” said Pacific Ethanol chief executive officer Neal Koehler. “Moreover, the Burley plant fits well with our destination model and will serve local markets for both fuel and feed with significant production cost advantages over products imported from the Midwest. We would like to thank the city of Burley for being so helpful to us in the development of this project. We look forward to bringing new jobs and economic growth to the local community.”

The plant, employing about 40, will be located on 177 acres with direct access to both the Union Pacific Railroad and Interstate 84. With over 300,000 dairy cattle and 100,000 feedlot cattle, this will be a sufficient population to consume all wet distiller’s grain from the new ethanol facility. A fuel blending rack is within eight miles of the plant site.

Another alternative-energy company, Renova Energy based in London, will also operate a 20 million gallon plant in Burley by fall 2008.

Both of these advanced manufacturers and the first fuel-grade ethanol facilities in this region, will likely be the first of many proposed to open in Idaho. This is good news for area corn growers who have already seen a nearly doubling of corn prices thanks to the national push for developing corn-based ethanol. These new operations will also be supported by local supply services and provide a source for alternative animal feeds.

As mentioned by Pacific Ethanol, the southern Idaho region offers numerous advantages to advanced / general manufacturers as well as logistic companies looking for a prime area to expand operations.

This unique area of the northwest offers a plethora of business advantages.



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Southern Idaho is conveniently located close to several major highways for businesses to easily reach markets or transport products north, south, east or west. Cities far west in California, Oregon and Washington can be reached in a day's drive. Good local railroad transportation via Eastern Idaho Railroad that connects to the UPSP mainline, as well as air access via regional airports round out the regions established transportation opportunities.

A recent study by The Strategic Growth Institute (SGI) analyzing the regions economic development factors, found several other strengths offered here that are major factors in businesses looking to expand or relocate. According to SGI, southern Idaho's strengths also include:

- State government support
- Good economic base
- Regional cooperation
- Taxes & Incentives
- Workforce Quality
- Colleges & Universities
- Electricity & Natural Gas
- Market Access
- Telecommunications
- Cost of Living
- Housing Availability
- Health Care
- Recreational Activities
- Logistic/distribution companies like WOW Logistics, Henningsen Cold Storage,

Clear Springs Foods, Independent Meat, Solo Cup, AmeriCold Logistics, and most recently DOT Foods, Inc. have taken advantage of these strengths by building and expanding successful operations in southern Idaho.

DOT Foods, Inc, the largest food redistributor in the United States, will open a 140,000 square foot redistribution facility in Burley by July 2008.

For almost 12 months, southern Idaho competed with communities in Utah and Oregon to land this prestigious company. The proactive partnerships from the city, county, region and state provided a seamless dialogue throughout the recruitment process.

"We are thrilled to be expanding DOT Foods to Idaho," Jim Tracy, DOT Foods senior vice president/general counsel said. "The close proximity to many of our distributors and quality of available workforce make Burley an ideal location for our expansion."

The state has committed \$600,000 from the Workforce Development Training Fund to help DOT Foods provide training for their employees and \$250,000 from the state's Business and Jobs Development Fund to assist the city of Burley with public costs associated with the expansion project.

"DOT Foods will find that Idaho offers an excellent quality of life and a

strong committed workforce," Governor C.L. "Butch" Otter said. "DOT Foods is known for providing quality employment opportunities and has demonstrated commitment to the communities where their facilities are located. We welcome them to Idaho."

DOT Foods, Inc. -- a Mt. Sterling, Illinois based company -- distributes products from 700 manufacturers in less-than-truckload quantities to distributors not large enough to regularly order truckload quantities directly from manufacturers.

The new Burley facility will be DOT Foods 9th U.S. distribution center and will serve Idaho, Utah, Oregon, Washington, Montana, Wyoming and western Nevada utilizing its fleet of multi-temperature trucks. This new site represents an estimated \$16-18 million investment by DOT Foods in Idaho.

Whether advanced manufacturing or logistics, southern Idaho is one of the best locations to reach existing and emerging markets in the West. A dedicated workforce and a very progressive business climate have helped reduce operational costs that have added directly to the bottom line for existing and expanding companies in southern Idaho. 🏠



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