

Burley Idaho Turns an Economic Downturn into a Business Boom

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Gossner Foods of Magic Valley - Heyburn, Idaho

Prior to 2004, the distressed southern Idaho rural communities of Heyburn in Minidoka County and Burley in Cassia County — better known as Mini-Cassia — had been suffering from six consecutive years of job loss. Largely ag-based, this struggling economic region didn't know how things could get much worse. But the worse was yet to come

When the area's largest employer, Simplot, announced that they would shut down, it could have spelled the final economic end to rural Mini-Cassia. But thanks to the aggressive and unconventional efforts by local representatives, an innovative development project was initiated that has blossomed into a significant economic revitalization for Mini-Cassia.

Since 2004, ten diverse companies have relocated or expanded to the Mini-Cassia area. From cheese processors to RV manufacturers to distribution companies and other manufacturing, all have found this small rural region with the right combination to site their operations. The addition of these companies has created an economic boom not often found in even larger communities.

Economic Distress

While Mini-Cassia's population had already been suffering from almost a decade of job loss, the area's largest employer, J.R. Simplot Company announced in 2002 they would be closing by 2004, leaving 650 without jobs. This seemed like the last lethal blow to an already struggling rural region. J.R. Simplot Company is a multi-million privately held food and agri-business based in Boise, Idaho that had operated a potato-processing plant in Mini-Cassia for 70 years.

The negative impact of Simplot's announcement rippled through Mini-Cassia's communities for some 23 months resulting in about a \$40 million in economic loss to this area. Unemployment, already at 6.3% in 2002, jumped to 8.9% by February 2004.

No sooner had this devastating plant closure become official, city and state officials pulled together teams to work with local groups to minimize the impact to the communities and employees. But the real saving grace for the region came when a local city councilman came to the City of Burley with a bold idea: draft

a letter to Simplot's Boise headquarters asking that the company gift – outright - the site with all its buildings and infrastructure to the City. Ask Simplot for a 100 percent donation of valuable land and structures since they would not have any future use for the buildings, and gifting everything to the community would be a major step in helping the community re-establish its economic future.

After nearly two years, the efforts of a small local public entity working with a large corporate/private corporation culminated in the announcement by Simplot in March 2004 that they would gift all land and structures to the City of Burley in Cassia County. The site covers approximately 106 acres in Minidoka and about 170 acres in Cassia counties. The gift included 1.1 million square feet including their 276-acre former Simplot plant containing over 20 buildings such as an industrial wastewater treatment plant, refrigerated storage, an ethanol plant, truck repair shops, general office buildings as well as additional unimproved land.

The caliber of this gift was unprecedented in Simplot's 84-year history and was the result of 22 months of intense planning and development.

Economic Recovery Begins

Simplot's land gift gave Mini-Cassia the perfect economic development tool to help get them back on their feet — a ready-made industrial park. The new Burley-Heyburn Industrial Park has since brought opportunity for significant job creation to an area that, ironically, would not have happened without the drastic closure by Simplot. Having available buildings and prime real estate is vital to any community's efforts to promote economic development. This generous gift created a stronger more competitive southern Idaho region. It opened up opportunities throughout the Mini-Cassia and southern Idaho for new business development.

Mini-Cassia's 8.9% unemployment figure is history now. Today, unemployment is an impressive 2.4%, a result of the new businesses establishing operations here. The first new business announcement came from of the largest Swiss cheese producer in the United States, Gossner Cheese. With a \$20,000,000 capital expenditure, they operate their cheese production facility in 90,000 square feet.

"Many factors contributed to our decision to expand our Swiss cheese operations into Burley," said Gossner Foods president and chief executive officer Dolores Wheeler. "Pre-existing food processing infrastructure, an excellent location offering quality milk and a strong workforce convinced us to establish new operations in Burley rather than expanding one of our other existing facilities. We anticipate the area's quality milk supply will increase over the years, providing us with even more high-end milk for cheese production."

Brewster Cheese, another manufacturer of all natural Swiss cheese, purchased a former Kraft Foods cheese operation in neighboring Rupert.

Two alternative fuel companies now call Burley home, expanding with new facilities here. Pacific Ethanol, Inc. will construct a 50 million gallon per year ethanol facility on 177 acres ideally located with direct access to both the Union Pacific Railroad and Interstate 84.

"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 facility 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."

Another alternative-energy company, Renova Energy based in London, plans to operate a 20 million gallon plant in Burley employing about 30 people.

And the economic boom to this once depressed region just keeps growing. 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.

"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."

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.

Packaging Specialties, Inc, — an Arkansas-based printer of graphics onto plastic packaging materials and film for national and international food and non-food industries — will build a 25,000 square foot facility operational by February 2008.

Choosing southern Idaho's city of Burley as the place to build their first western facility was an easy decision for Packaging Specialties. "For several years, we've been looking to expand with a location in the west, specifically looking at three states, with Idaho being one," said Robert Farrell, chief executive officer of Packaging Specialties. "Idaho and the City of Burley had everything we were looking for: an excellent location for our western presence; strong work ethic; and good environment for our people and our business. Burley just shined above the other communities we looked at. We're excited to be a part of this community," he said.

Iowa-based Hy-Line, distributor of egg laying chickens, has purchased 31 acres southwest of Burley where it plans to build a "state-of-the-art" egg hatchery by 2009 that will create roughly 40 new jobs.

"Hy-Line looks forward to locating in an agriculturally-friendly environment and is committed to being a positive addition and responsible citizen to the southern Idaho and Burley areas," said Pete Block, western regional manager for Hy-Line.

These highlighted companies along with Dutchmen RV, Mulholland Positioning Systems and High Desert Milk as well as local business expansions prove that if you have a strong vision and a dedicated group of individuals to further that vision, success is inevitable.

The economic boom provided by Burley's Industrial Park has been a significant economic tool to help draw attention to the region for new business development. As the area continues to bring in new business, the economic impact on the Mini-Cassia economy could substantially exceed the benefits of the former Simplot plant. This project has truly been a win-win scenario for Mini-Cassia and southern Idaho. Securing Simplot's gift to this area was the first major step in moving from economic disaster toward a future of positive economic growth for many years to come. 🏡