



# 2013 VCEDC Strategic Plan

Valley County Economic Development Council

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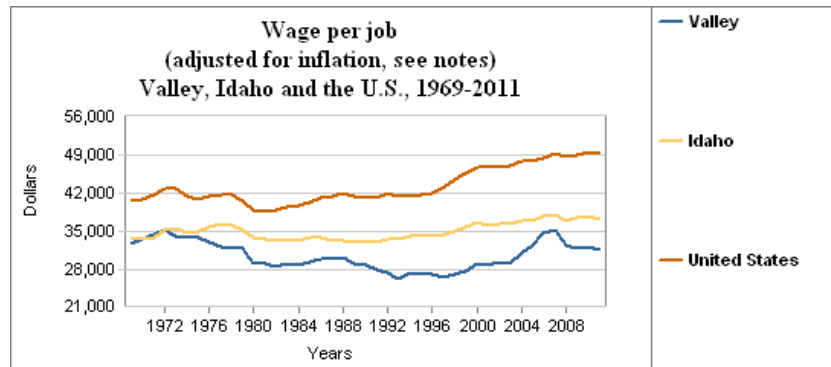
## Valley County's Economy

[A more detailed overview of Valley County's economy and data sources is provided in the [Attachment](#)]

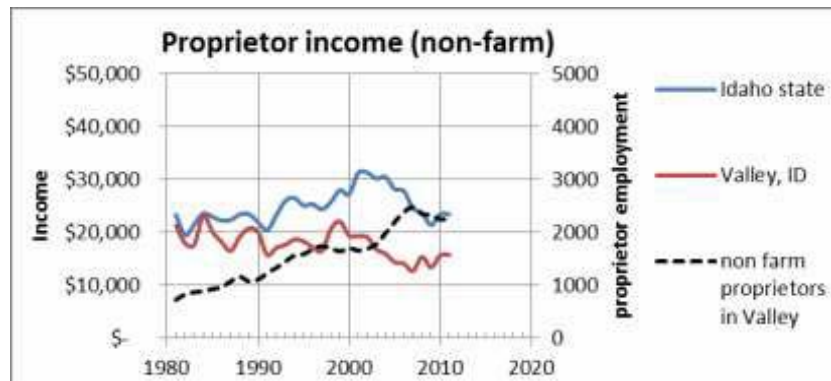
A community generates wealth through value-added activities, be it through services or production. Valley County, like most intermountain communities, gradually lost its traditional value-added activities (logging, milling, dairy and meat processing, etc.) that drove local wealth in the 20<sup>th</sup> century. These value-added activities formed networks or “ecosystems” of businesses that represented opportunities, skills and local advantages along one or more related value-chains. Valley County's timber industry used to be such an ecosystem where sawmills, loggers, toolmakers and transporters formed a network of mutually beneficial operations in transforming timber to wood products. The traditional small acreage farming & ranching formed a similar ecosystem until regulations and commodification made local dairies unprofitable. Large acreage ranching is still an important land-use in Valley County, but the sector lost much of its “ecosystem” ; most cattle are now trucked in from the Snake River Plain and grazed on a combination of owned and leased lands and then trucked back to be processed. Flush times (especially before and during the 2005-2008 real estate boom) also caused productive ranching lands to be in play for development.

The region now imports most of its goods and services from the Boise metro area. It is paying for these imports with (export) monies primarily brought in by tourists, retirees and the

(Federal and State) Forest Service. These three sectors also fuel much of the secondary service and construction sector in the region. The erosion of value-added activities and the current strong dependence on seasonal jobs in recreation and forest service translates into low average wages (ranked 27 out of 44 counties in Idaho) and poverty rates for families with young children that are now among



**Figure 1:** Source: 1969-2011: Bureau of Economic Analysis, Regional Economic Data, Local Area Personal Income, Table CA34, DATE LAST UPDATED: February 20, 2013. Graph: <http://www.indicatorsnorthwest.org>



**Figure 2:** The average proprietors' income is the counterpart to the average wage as a measure of individual economic well-being for those members of the workforce who do not work in wage and salary jobs—including sole proprietorships, partnerships, and tax-exempt cooperatives

Source: 1981-2011: Bureau of Economic Analysis, Regional Economic Data, Local Area Personal Income, Tables C04 and CA25. Income is adjusted for inflation using the GDP price deflators table 1.1.9.

the highest in Idaho. The lack of opportunities translates into a very small representation of youth (ranking 40 out of 44 counties in Idaho with respect to the population under 18) and, conversely, a relatively high median age (48 years old versus the Idaho average of 35) with little ethnic diversity (98% Caucasian).

## Council role

The council's charter was first adopted on July 25, 2012 and last amended on October 23, 2012:

- *To encourage Valley County communities, businesses and organizations to act more cohesively toward an improved local economy*
- *To solicit or assist projects that substantially strengthen the local economy (through business stimulation; community & infrastructure development; sector development)*
- *To inspire and solicit creative ("outside the box") solutions for issues at hand*
- *To attract businesses and economic opportunities to the region*
- *To assist in the creation and maintenance of a climate that fosters economic growth and viability*

## Vision and focus

The council built its strategies on the premise that resilient long-term economic growth is possible only when a region can sustain and develop its local assets, relationships and comparative advantage to create a diversity of local added-value and related jobs and wealth.

Business recruitment can be a shortcut or "quick fix" towards growth by jumpstarting value-added activities and initiating or supporting a local ecosystem of businesses. The Valley County Economic Development Council recognizes, however, that growing the local economy through an aggressive reliance on business recruitment is challenging given the region's remote location and limited connectivity.

## Strategies and objectives

Note: many if not all of the actions support multiple strategies and/or objectives, but are listed under the strategy that is of primary concern.

### Strategy 1: Sector development

***Sector development intends to develop and/ or expand value-chain focused "ecosystems" that network businesses, services, opportunities, skills, locational assets or advantages and educational opportunities along one or more related value chains.***

#### Objective 1.1: Strengthen the existing Recreation sector

*Recreation underpins much of the current economy. The 2013 Recreation Summit pointed to three issues that undermine long-term competitiveness: (1) a weakness in connecting to a more diverse and younger demographic; (2) a corresponding need to facilitate a growing variety of recreational opportunities, including biking; (3) a perceived lack in diversity of local retail and hospitality amenities.*

- *Action: support or organize the 2014 Recreation Summit (Bill Willey>Larry Laxson).*

- *Action:* promote regional collaboration and communication among stakeholders in the summer recreation akin to the winter recreation group in McCall (Bill Willey>Larry Laxson).
- *Action:* insure periodic updates from and coordination with the county and cities (council chairman)

NOTE: the “Vibrant Communities” action item under Asset Management supports bolstering retail & hospitality amenities.

Objective 1.2: Strengthen the Farming and Ranching sector

*The region’s small-acreage ranch and farm land is largely underutilized. The local food movement may provide an opportunity to redevelop a small farm and ranching sector and network with existing local businesses like the meat processing facility in New Meadows.*

- *Action:* revive the Grange to strengthen networking and initiate discussions (Primary council member: Bill Willey, Karla Miller)

Objective 1.3: Support a budding Web/Coding sector

*Web-Tech/coding is a “footloose” export business not constrained by Valley County’s remote location, and potentially attractive for small groups or entrepreneurs because of the recreational amenities of the region.*

- *Action:* organize informal monthly get-together for web/tech-savvy entrepreneurs in our community (Primary council member: David Carey)

*Other ideas for projects and objectives with respect to sector developments but not yet translated into objectives:*

- Recreation Sector: RecTech businesses (design, production or support of recreational products and services) can expand the recreation sector’s ecosystem and promote more value-added activities. It may also lend itself for business recruitment.
- Construction Sector (promote a builder’s guild that promotes a vernacular style optimized for Valley County climate conditions with locally sourced construction materials);
- the eco-management sector (create or connect local educational opportunities in GIS and Ecosystem-management with public lands management and recreation management).
- regional advantages: Old-grown Spruce used to be a valued material for instrument making; exploring historic locational advantages may show other possibilities for diversification.
- A potential crossover project would have the web/coding sector adopt a regional recreation website as a digital collaboration challenge

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**Strategy 2: Local entrepreneurship**

***Broadening sector ecosystems, an increase in local ownership and an increase in value-added activities are all powerful mechanisms in local wealth generation and all require entrepreneurship, that is: initiative, innovation, risk-taking and financing from local residents and businesses.***

Objective 2.1: Promoting local entrepreneurship (in value-added activities drawing on local resources)

- *Action:* New Business Plan Contest Part I - contest and fair (Primary council member: Karla Miller)

## Objective 2.2: Business acceleration through educational and mentoring support

- *Action:* New Business Plan Contest Part II – McCall College & SCORE Mentoring (Primary council member: Paul Johnson, Willem Braak)

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## **Strategy 3: Asset development**

***Every economic sector ultimately falls back on the natural and cultural assets of our region. Recreational amenities like viewscape (real estate), downtowns (visitor attraction & amenities), landscape & wildlife (back-country recreation, hunting), water quality (boating, fishing, eco-system services), and the region's productive lands (ranching, farming, timber – all also supporting our viewscape) form the base to much of our economy. It therefore makes sense to steward this base and make sure that we coordinate policies and incentives among communities to that effect.***

### Objective 3.1: Promote vibrant communities

*Livable communities are closely associated with vibrant downtowns and cultural diversity.*

*Even though we are doing better than most communities, this is not an easy feat to accomplish in a rural county with 10,000 residents.*

- *Action:* encourage cities to adapt ordinances and procedures to promote infill and contiguous development of retail, hospitality and public spaces (Council member: Don Bailey)
- Keep or make entry barriers for new businesses low (Council member: Don Bailey, David Papiez)

### Objective 3.2: Define a desirable future land-use to accommodate resilient economic growth

*A regional land-use vision can facilitate a discussion among land-owners, developers and communities and make comprehensive plans of cities and county compatible. Using a watershed approach may provide a useful frame in this discussion and connect regional economic and resource constraints.*

- *Action:* organize a workshop in the fall of 2014 for elected officials and community members to explore regulatory and economic incentives and instruments to make a land-use vision an accepted guide for development (Council member: Bill Willey; project team members: Michelle Groenevelt and Cynda Herrick?)
- *Action:* establish a watershed team that fairly represents the stakeholders in the region (Council member: David Papiez, Karla Miller)

### Objective 3.3: Formalize the council's structure

*A transparent and sustainable structure of this council will aid interregional communication and planning with respect to economic and community development.*

- *Action:* 501(c)(3) application per the end of 2013 (David Papiez, Bill Willey, Don Bailey)

*Other ideas for projects and objectives with respect to asset development but not yet translated into objectives:*

- Support Community Capacity enhancement projects like The McCall College initiative, or communication enterprises like a local radio station (Karla reported on the initiative of Long Valley Community Radio – link to flyer).

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**Strategy 4: Import substitution**

***Valley County's trade balance heavily favors import of goods and services, and has impaired local wealth generation. Shifting the trade balance through import substitution (switching the source of economic inputs to businesses and households from outside of the region to within the region), is a recognized and powerful tool in economic development. Not only does it create local jobs by transferring the input related jobs to the region, it can also support local sector development.***

Objective 4.1: Distributed energy development

*Energy is a vital input to every economic and household activity of the community, and is a key factor in added-value activities; this is specifically relevant to the Valley County economy with its harsh winters and related energy needs. Self-reliance will therefore not only make our local economy more resilient, it provides more options for economic diversity. The Valley County Region has an abundance of hydro, biomass, geothermal and other renewable resources to produce energy in a distributed and multi-modal manner. The use of these region-specific resources provides a competitive edge to the local economy.*

- *Action: create demonstration projects for distributed energy development (Scotty Davenport, Rob Terry)*

## **Attachment: 2013 Valley County State of the Economy**

The content of this attachment is provided by the University of Idaho Extension in collaboration with the Valley County Economic Development Council and is published separately at [link](#).