



Photo credit: Carol Waller

Chapter 7 - Economic Development

Vision Blaine County and its incorporated cities benefit from sustainable economic vitality and diversity. Healthy economic growth reflects the values of Blaine County citizens.

Key Guiding Principle

A balanced and diverse economy is necessary for a sustainable community.

Managing growth was a priority for the County and its communities in the last decades of the 20th century and the first few years of this century. Since the Great Recession of 2008, however, efforts to create a more diverse economy – one that is not reliant only on population and tourism growth and related construction activity – have gained visibility. These include efforts to respond to demographic and employment trends that have taken place over the

last twenty years. The County should continue to do its share in supporting economic actions that appeal to visitors, support local economic needs, and uphold its values of conservation and responsible use of public funds. Blaine County has high quality public, private and alternative education systems that are important assets to our current and future economy. Balancing our priorities for a healthy economy requires partnerships, infrastructure investment, appropriate finance tools and thoughtful planning.

NOTE: In early 2020, the COVID-19 pandemic began to impact Blaine County and its economy. Initial effects included temporary business closures and a spike in unemployment. As of the date of adoption of this chapter, the long-range economic impacts of the pandemic are still unknown. The County intends to review and revise this chapter within 3 years, to cover the long-term economic effects and recovery.

Maintaining Blaine County's 'Quality of Place' is critical to its economic success

Blaine County plays a key role in the region's overall economic success. While most commercial and institutional uses are best located within municipal boundaries to have proximity to city services, prevent sprawl, and protect the vitality of the cities' downtown cores, there are instances when these uses are appropriate in the unincorporated county. Recreational activity is a significant portion of the County's economy and many recreational amenities are located in the unincorporated county. These include Bald Mountain and Rotarun ski areas, Galena Lodge, the Wood River Trail, the Valley Club, the majority of river access points and others. Also located in the unincorporated county is St. Luke's Wood River Medical Center, one of the County's largest employers. St. Luke's high quality services are a factor in personal and company decisions to locate in Blaine County. Other appropriate uses in the unincorporated County include agricultural businesses, clean and light industries that require larger land areas, home occupations, remote workers and other uses that do not detract from the cities' commercial areas. The County does not want to compete with its cities for commercial uses, but does support commercial, industrial and institutional uses that need greater land area or a specific type of rural location and that maintain its character.



Hailey Main Street - Photo by Carol Waller

Setting

Historic Economic Trends

In 1880, the City of Ketchum was established in the upper Wood River Valley with the discovery of lead, zinc and silver in the Elkhorn hills. The mining economy nurtured the set-up of small supporting businesses which led to the rapid growth of the towns of Ketchum, Bellevue and Hailey. However, by the 1890's, the declining prices of metals resulted in an economic bust. The economy was revived in the 1900's by the sheep herding industry, which thrived for about 30 years, making Ketchum the biggest hub in the country for collecting and transporting sheep. By the late 1930's this industry suffered a precipitous decline and the local economy struggled. The economic fortunes in the area changed again for the better when the Chief Executive of the Union Pacific Railroad, W. Averell Harriman, envisioned a picturesque destination for alpine skiing. The vision came to fruition when the Sun Valley ski resort was established in 1936. The resort became a popular attraction as it was the first ski resort in the U.S. and celebrities from Hollywood and other areas across the U.S. began to flock to the Wood River Valley. The rapid growth in the ski industry post World War II catalyzed the area's economy and made the Sun Valley ski resort the largest contributor to the local economy. In the subsequent decades, a focus on year-round tourism and outdoor recreation allowed the County to experience substantial growth and become one of the U.S.'s most popular mountain resort communities. This nearly 60-year growth trend was interrupted by the Great Recession of 2008. The economy has been slowly growing since 2012. In 2018, the local Gross Domestic Product returned to its peak in 2008.

Local Gross Domestic Product

The US Bureau of Economic Analysis (BEA) reports on county and metropolitan Gross Domestic Product as the most reliable tool to compare counties and regions to one another from an economic standpoint. Local Gross Domestic Product (GDP) is monetary measure of all final goods and services produced in a region. It is a simple way of measuring an area's economy such that it can be compared against other economies. In 2003, Blaine County GDP saw a sudden and large increase, rising by more than \$42 million a year over the next five years. This growth reached an all-time high GDP of \$1.31 billion in 2007-2008. After the recession, GDP dropped by nearly \$200 million total over the following three years until 2012, with a loss of 11% in 2008-2009. GDP has been recovering since the end of the recession; the 2018 GDP at \$1.4¹ billion has finally exceeded 2007-2008 levels. (See the Appendix for a graph of GDP.)

Despite being only the 17th most populous county in the state, Blaine County has the ninth largest GDP in Idaho.

While GDP relative to the state is strong, the recent growth of Blaine's GDP is weak in comparison to other parts of the state. From 2015 to 2018, Blaine County saw slower than average GDP growth as compared to other counties in the South Central region of Idaho.

Nearly all of Blaine County's GDP is in the private sector. In 2018, over 76% of local GDP was from private services, followed by private goods at about 16.5%. Government enterprises accounted for just over 7% of local GDP. Agriculture accounts for, on average, approximately 1% of the County's GDP².

Commuters, both incoming and reverse commuters (persons traveling out of the County to work or working remotely for a non-county entity), contribute over \$110,000 per person to the GDP.

Employment

The Idaho Department of Labor employment numbers for 2018 show 12,032 employees in Blaine County, up from 11,328 employees in 2017. The peak employment count was in 2008, with 13,926 employees. The 2018 non-farm payroll jobs are spread over a variety of industry sectors, as shown in the chart on the following page.

The top five job sectors are:

1. Leisure and Hospitality
2. Trade, Utilities & Transportation
3. Construction
4. Professional and Business Services
5. Government (includes public school district employees)

The top employers (in rank order as of 2018) are as follows: Sun Valley Company, Blaine County School District, St. Luke's Wood River Medical Center, Atkinsons' Market, and Power Engineers.

Unemployment reached a high of 9.6% in 2010. After decreasing steadily until 2017, the rate hovered around 2.5% in the years 2017 through 2019.

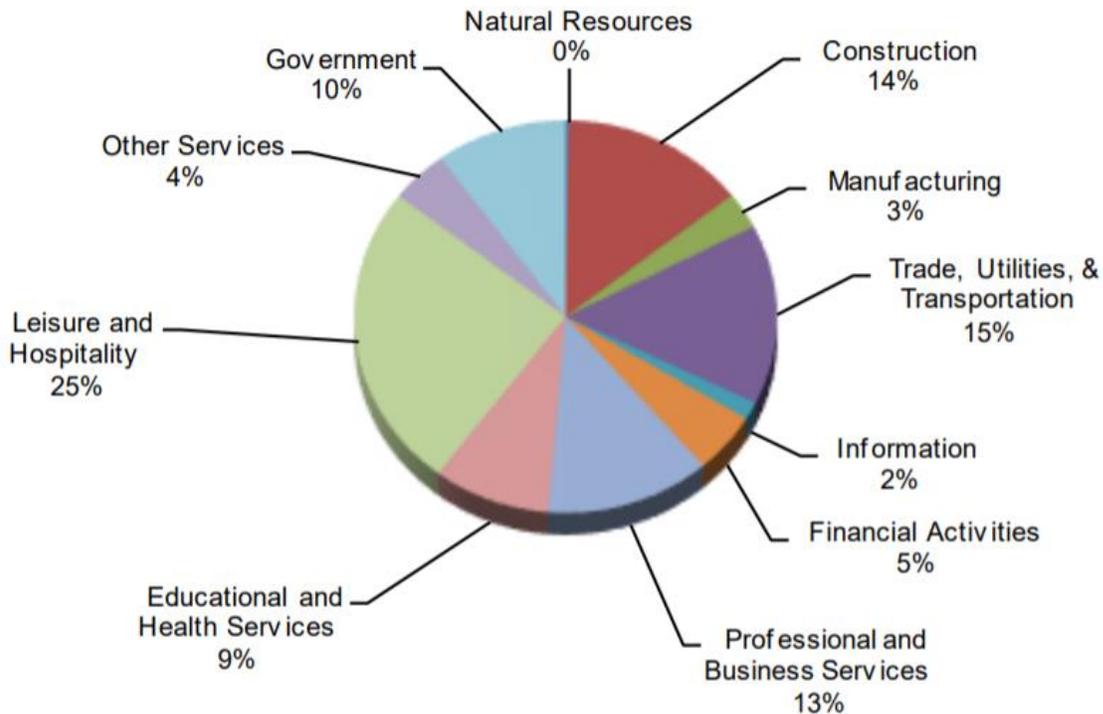


Photo-Blaine County

¹ Measured in inflation adjusted dollars

² Bureau of Economic Analysis (years 2012-2018)

Nonfarm Payroll Jobs for 2018



Idaho Department of Labor, November 2019

Note: Chart does not include sole proprietors.

Farm Employment

The 2017 Census of Agriculture is the most recent published. This census shows 332 total producers on 190 farms. Of those farms, 88 have a total of 351 hired workers, with a total payroll of \$5.8 million. Of the 351 hired workers, 208 worked 150 days or more. Another 80 farms have 162 unpaid workers.

Corresponding data from Woods & Poole shows an estimate of \$8.7 million total farm personal income, compared to \$1.8 billion total non-farm personal income.

Employment Trends

Before the 2008-2009 recession, the construction industry was a main source of employment, however the industry has experienced a sharp decline since the recession. From 2007 to 2013, nearly 60% of the jobs lost came from the construction sector. While construction employment has begun to rebound, 2018 total construction employment remains only 73% of what it was in 2007. Retail suffered the second largest number of jobs lost.

The increasingly aging population of the County has led to a subsequent increase in the need for healthcare professionals. Demand for direct care workers is expected to increase dramatically as the median age of the population rises. (Nationally, the median age in 2000 was 35.3 years and the latest estimate is 38.1 years. Median age in Blaine County exceeds that; in 2010 it was 40.4³.) US Department of Commerce data showed that between 2007 and 2016, health care and social assistance employment increased by 21%.

The aging population also results in a decrease in the population of the working age range of 16 to 64 years. This cohort has decreased from 14,551 in 2010 to 13,651 in 2017. The percentage of persons in that cohort that "did not work" in the year reporting increased over that period from 11.7% to 16%. Since unemployment rates have decreased, this appears to indicate that more people may be retiring early.

Labor continues to be affected by high seasonal employment. Although the economy is rounded out through year-round marketing of seasonal packages, the jobs that are directly tied to seasonal recreation experience the highs and lows of visitor activity. However, the number of temporary workers, often associated with seasonal employment, has decreased significantly from 31% of persons aged 16 to 64 in 2010 to 12.5% in 2017.

Part time workers have increased somewhat, from 9.9% in 2010 to 12.5% in 2017. Full time workers have increased more significantly, from 47.5% in 2010 to 57.6% in 2017.

Historically, the majority of jobs in Blaine County were located in Ketchum/Sun Valley, with the focus on resort-related jobs. 2018 data show that job numbers are only slightly higher in Ketchum/Sun Valley (51.5%) than in Hailey/Bellevue (48.5%). A limited number of jobs are located in unincorporated Blaine County.

Employment Projections

The Idaho Department of Labor no longer creates employment projections by county. It forecasts a 1.3% growth rate for Idaho, and also a 1.3% growth rate for the South Central region for the years between 2016 and 2026.

Woods & Poole, a private economics firm specializing in long-term county economic data, forecasts a 2% increase in jobs for Blaine County for the same time period.

Tourism

Tourism continues to play a central role in Blaine County's economy. Visit Sun Valley estimates more than two-thirds of the County's economic activity significantly correlates with tourism and the hospitality industry. It estimates that 2018 travel spending equaled \$308 million, and that every \$100 of visitor spending generates a total of \$9.20 tax revenue (\$1.60 local and \$7.60 state tax revenue). Tourism generates nearly \$30 million in tax dollars annually through business and city local-option taxes. About a quarter of local employment is directly related to tourism.

³ US Census data

Second Homeowner Economy

While good statistics are not readily available, it is known that a significant part of the workforce provides services to the second-homeowner community. This includes

- construction, maintenance and upkeep of homes
- goods and services
- entertainment.

Sole Proprietors

Blaine County has a high number of sole proprietors and self-employed workers who are accounted for separately by the Department of Labor. These workers account for over 20% of the total County workforce according to the DOL; or as many as 36% according to the Bureau of Economics. Total sales by sole proprietors in 2017 was \$226 million. Most are in the real estate, rental and leasing business. Next are professional, scientific and technical services, followed by construction.

Non-Profit Organizations

A significant number of non-profit organizations exist in the County and contribute to the local economy through employment, donations, events, retail (thrift stores), and other community benefits.

Commuting Workforce

The high cost of housing in Blaine County has resulted in a large influx of commuting employees from other areas, primarily from Camas, Gooding, Jerome, Lincoln and Twin Falls counties. The Idaho Department of Labor shows that of the 11,328 employees in 2017, 3,086 (27%) commuted into Blaine County from adjacent counties. This number is almost double the pre-recession number.

Remote/Reverse Commute Workers

The Idaho Department of Labor estimates that 1,973 employees live in Blaine County but work for employers outside of the County. This is 17% of the County's workforce, and the number has steadily grown post-recession. Some of these workers physically commute to a workplace out of the County, but many are "remote" workers who are highly dependent on a reliable broadband and cellular infrastructure.



Conducting business from the chairlift. Photo by Ray Gadd

Wages and Income

While income figures for Blaine County residents surpass those of the state and nation, wages fall below the national average. While wages are solely earned from employment, income is the money calculated from all known sources that could include inheritance and trusts, gifts, dividends, interest, and rent in addition to wages. Compared with Idaho and the nation, Blaine County residents have a far higher percentage of income from dividends, interest and rent⁴.

Median income is the amount that divides the income distribution into two equal groups, half having income above that amount and half having income below that amount. This term is used extensively by professionals analyzing housing costs and affordability. Because Blaine County's median income is higher than Idaho and the US, this statistic can be problematic for affordable housing developers seeking federal funding.

Table 2 summarizes 2018 wage and income statistics.

Table 2: Wages and Median Household Income

2018	Average Annual Wages*	Median Household Income**	Per Capita Income*
Blaine County	\$43,802	\$58,835	\$113,780
Idaho	\$42,876	\$50,985	\$43,901
United States	\$51,960	\$57,652	\$54,446

Source: *Bureau of Labor Statistics, Idaho Department of Labor; ** US Census-2013-2017 ACS 5 yr estimate

Cost of Living

The cost of living in Blaine County has increased since the 1990s, outpacing Idaho and the nation, especially for housing. In 2019, the median home price in Blaine County was double the median home price in the U.S.⁵ At the same time, the Idaho Department of Labor projects that the number of jobs at the lower end of the wage scale will increase. The combined

effect of these two trends is a growing gap between high-income and low-income segments of the community, and the reduced ability of wage earners to live in Blaine County. Many workers have multiple jobs in order to pay for all necessities.

⁴ US Department of Commerce, Bureau of Economic Analysis

⁵ Sterling "Best Places" and Realtor.com

Infrastructure

Transportation

Blaine County's primary air gateway is the Friedman Memorial Airport (SUN), a commercial and general aviation facility located in Hailey. In 2019, more than 185,600 passengers either boarded or deplaned at the airport. The three main commercial airliners who serve the airport are Alaska Airlines, Delta Airlines, and United Airlines. Over half of all passengers served at the airport are served by Delta. (See Chapter 1A - Public Airport Facilities.) Air travel is critical to the economy, both for tourism and for the remote workforce. Friedman Memorial Airport itself is an economic driver, accounting for over \$305 million in total economic impact in 2019, including over 3,000 related jobs and nearly \$1 million in earnings.

State Highway 75 serves as the primary north/south transportation artery, extending for approximately 79 miles. It is the Main Street of Bellevue, Hailey and Ketchum, and is the primary access for resort tourism activities. In 2019, it had an average daily traffic volume ranging from a low of 623 in April to a high of 3,155⁶ in the peak tourist month of July. The 2018 and 2019 traffic volumes have exceeded pre-recession numbers for the first time since 2002. Highway 75 continues to expand its transportation capacity as sections are reconstructed with additional lanes. Currently, 7.7 miles of this corridor in Blaine County is four lanes (2-each way) between Bellevue and Ketchum, with another 3.5 miles of three lanes.

US Highway 20 is the east/west arterial, passing through the City of Carey and the unincorporated town of Picabo, for a distance of approximately 39 miles. It is a two-lane highway. This arterial connects Blaine County to Boise, a primary tourism market, and services agricultural portions of the economy.

Connecting residents with the highway and cities are 124 miles of paved secondary roads and 326 miles of gravel roads maintained by the County. These roads provide a critical economic benefit, for remote workers, tourism and businesses located in the unincorporated area.

Mountain Rides Transportation Authority provides public transportation to all of the cities in the County, serving over 500,000 passengers a year as of 2019. Mountain Rides provides free town buses, a commuter bus, commuter vanpools, and rideshare service. Many of the bus routes are seasonal, though there are three lines that operate year round. In the winter months, Ketchum and Sun Valley have an additional five lines.

Broadband and Cellular Phone Service

Unlike other counties in the South Central region, Blaine County has a relatively strong internet infrastructure, with over 80% of residents in the County having access to broadband internet above 25 Mbps. Access to broadband exceeds all other counties in the region besides Twin Falls and is the fifth best among all rural counties in the state. In Idaho, three of the top five cities for average internet download speed are in Blaine County (Ketchum, Sun Valley, and Hailey at second, third, and fifth, respectively). Rural areas of the unincorporated County - including some Light and Heavy Industrial districts - tend to have slower service, however. Increased broadband connectivity and speed will continue to make this area competitive for remote workers.

Local cellular telephone service providers include AT&T, Verizon, Sprint and T-Mobile. Areas like Blaine County are challenging because hills and valleys cause line-of-sight signal interruptions. As a result, some locations have poor service.

⁶ Idaho Transportation Department (Zinc Spur and Highway 75 County #28)

Business Organization Infrastructure

As of 2020, Blaine County economic initiatives are primarily led by the organizations described in this section.

Sun Valley Economic Development is the primary economic development organization serving Blaine County. The organization actively searches for and recruits new businesses to the County and provides resources and assistance to existing businesses in order to ensure their economic success. Sun Valley Economic Development gives businesses in the area a unified voice and helps guide the County on economic issues through data-driven analytical studies. In recognition of the countywide efforts undertaken by Sun Valley Economic Development, Blaine County is the largest government contributor to the organization.

The Chamber of Hailey and the Wood River Valley aims to connect businesses in the area with local residents, as well as provide information about different businesses and activities to tourists in the County. It hosts networking and social events for the area's businesses and takes the lead on community gatherings such as Days of the Old West 4th of July Parade & Fireworks.

Visit Sun Valley is the destination marketing organization focused on increasing tourism to Blaine County. By reaching out to targeted visitors in key designated markets, Visit Sun Valley aims to raise awareness of Sun Valley and the greater Wood River Valley region, highlighting the area's recreational activities and events.

Fly Sun Valley Alliance seeks to expand direct air service routes and passenger loads from Friedman Memorial Airport. The organization is directed by public officials from Blaine County, Hailey, Sun Valley, and Ketchum, as well as private sector representatives from the area. Fly Sun Valley Alliance is responsible for negotiating new contracts with airlines.

Between 2014 and 2020, the Ketchum Innovation Center (KIC) provided the County with an incubation hub for entrepreneurs and startups. Primarily focusing on tech-based, innovative business designs, the KIC connected individuals who wish to start a business with resources and education to facilitate the actualization of the plan. The center also served as a work and meeting space for small businesses and sole proprietorships. KIC closed its doors in April 2020.



Land Use Policies and Zoning

In 1971 Blaine County adopted its first zoning ordinance. Prompted, to a large extent, by the impending threat of strip commercial development between Ketchum and Hailey, the County's first zoning ordinance in 1971 established that general commercial uses be contained within existing cities and towns. Subsequent zoning amendments and adopted Comprehensive Plan sections have reinforced this policy. Strip retail or office development at the outskirts of cities draw business and vitality away from the established city cores. Scattered businesses along the highway would do the same and would detract from the rural and scenic qualities of the corridor.

Some industrial uses, however, do belong in the unincorporated County due to the need for large land areas or because of the potential impacts on residential neighborhoods. These uses provide an economic benefit for the County and the region.

The County has several zoning districts for primarily non-residential uses.

Heavy Industrial District (HI)

There are approximately 1,000 acres zoned HI in a single area - west of Highway 75 and south of West Glendale Road. This area is used almost exclusively for gravel extraction. Gravel from this area is of high quality and a valuable commodity. Additional area for HI zoning may be needed in the future. Considerations for zoning to HI would include but not be limited to distance from residential and agricultural uses, distance from sensitive land areas and waterways, and access to state or federal highway.

Light Industrial District (LI)

There are approximately 180 acres zoned LI in five locations: Cold Springs/South Gateway; just north of Hailey; adjacent to Friedman Memorial Airport; west Glendale Road area (the largest); and in Picabo.

Table 3: Light Industrial Zones - Unincorporated County (2019)			Usage information			
LI-zoned area	Acres (Approx)	# of lots or parcels	# parcels occupied by LI use	LI bldg floor area (approx sq ft)	# parcels occupied but not by LI use	# vacant parcels
Cold Springs	15.6*	8	6	48,700	2	
North of Hailey	31	6	4	151,000	2	
Adjacent to airport (part TL 7785)	3.1	1 (partial)				1 (partial)
Glendale	117	20	8	28,000	4	8
Picabo	8.3**	2 (partial)	0	0		2 (partial)
*Approx' 1.4 acres in roads ** Approx' 2 acres in Hwy 20						

The incorporated cities, except Sun Valley, also have land zoned for light industrial uses. The following table summarizes these:

Table 4: Light Industrial Zones - Cities (2019)

City	acres zoned LI (approx)	acres considered vacant
Carey	96	0
Bellevue	47	1.75
Hailey	39	5
Ketchum	61	3.53
Sun Valley	(none)	

There is likely a need for additional LI zoned land in the County, particularly for contractors’ storage yards and similar uses. The zoning regulations include specific criteria for rezones to LI, including access to and visibility from Highway 75, adjacency to existing industrial zones or uses, and contiguity to cities. Finding appropriate locations for additional LI property holds challenges including potential impacts to surrounding residential uses. An alternative to rezoning land to LI may be to expand the allowable conditional uses to include certain lower impact LI-type uses in certain zoning districts, such as agricultural zones.

General Commercial (C)

There are only 20 acres zoned (C) in two locations: a single, one-third acre parcel in Gannett (with no active commercial use as of 2019), and a dozen lots totaling 20 acres in Picabo. The Picabo commercial uses include a gas station, retail, an RV park, self-storage units, airport hangars, and agriculture.

In the extreme north County, over Galena Summit, two parcels totaling about 13.5 acres are zoned Sawtooth City Commercial (SCC). One parcel contains the Smiley Creek Lodge (restaurant, store, gas station, camping and lodging). The other is currently in single residential use. Allowable uses in the SCC are more limited, and design and uses must comply with general goals of the Sawtooth National Forest.

The property on which the historic Beaver Creek Store is located is designated as Commercial by the Sawtooth NRA, but is zoned Rural Residential in the County at this time. The SNRA’s designation allows for some commercial uses.

Productive Agriculture (A-20 and A-40)

Vast areas of land in Blaine County are zoned for Productive Agriculture, with low densities of either one primary dwelling per 20 acres (A-20) - approximately 19,560 acres; or one per 40 acres (A-40) - approximately 74,525 acres. These districts are intended to preserve land in active agricultural use or having potential for such.

The 2017 Agriculture Census shows 211,228 acres in farms, and an average farm size of 1,112 acres. Cropland accounted for 25% and pastureland for 71% of these acres. The total market value of products sold was just over \$27 million.

Most agricultural activities are permitted outright. Agricultural businesses are defined as commercial uses that are compatible with surrounding agricultural lands and include uses such as pet boarding, breweries, landscaping contractors, stables and riding schools, and compost facilities. Agricultural businesses may be allowed with a Conditional Use Permit.

[Support for local food production and distribution is trending, with one USDA designated consumer food hub located in the County south of Bellevue. Local food production and additional consumer food hubs located in the County will add to the County's overall food system resilience and is valuable for expanding local and regional food production.](#)



Photo credit Jeremy Lato

Other Land Use Issues

Non-conforming industrial/commercial uses

McHanville refers to the narrow area between Highway 75 and Hospital Drive. This area previously contained several non-conforming light industrial uses and was designated as a "Special Planning Area" in the 1994 Comprehensive Plan. The Cold Springs Business Park continues to have a number of nonconforming light industrial tenants. The other light industrial uses in McHanville have been replaced by conforming uses or have become conforming through the CH-PUD process by providing rent-restricted employee housing.

Other non-conforming light industrial and commercial uses are scattered throughout the County. As "grandfathered" uses, they are allowed to continue, but not expand. Any proposal for expansion would be handled on a case-by-case basis, with the potential for zoning changes possible only where such changes would not conflict with the Comprehensive Plan and other County codes and policies.

Home occupations

In 2018, the County amended its zoning regulations regarding home occupations. Tier 1 occupations include those that have no non-resident employees, no outdoor storage and generating negligible additional traffic. Tier 1 home occupations are allowed as an accessory use, without any permitting required, in all zoning districts (except Heavy Industrial where residences are prohibited).

Tier 2 occupations include other types of uses that may involve limited employees, outdoor storage and customer or other additional traffic. Tier 2 home occupations may be allowed with an approved Conditional Use Permit in all zoning districts (except Heavy Industrial).

Challenges

Blaine County faces the following challenges with regard to economic well-being. The Desired Outcomes that most specifically address each challenge are listed below.

Low Wages and Widening Income Gap. Although wages have grown over the past ten years they have not kept up with the pace of inflation. Local wages, especially in the service sector, have become less competitive regionally in South Central Idaho, contributing to slow population growth in the County and a diminishing County workforce. Low wages also contribute to the widening income gap in an area with high costs of living. By Idaho statute, local governments have no authority to control minimum wage. (Desired Outcomes C-20 through C-26)(KG1)

Decreasing Workforce. The pool of available workers for jobs in the County has decreased over the past 10 years. The County's 2019 civilian labor force is 1480 individuals smaller than it was in 2008. Peak demand for workers in the summer and winter months further exacerbates the issue. Growth in customer service and manufacturing employers in the Twin Falls area including Dell, Chobani, Clif Bar and Jayco RV have increased competition for workers in the region. Federal immigration policies impact the workforce⁷ and job growth. A limited workforce pool has been a key factor that discourages large external businesses from relocating to the area, as well as limiting job growth in general. (Desired Outcomes B-1 through B-3, C-20 through C-26)

Changing Demographics. The aging population demands an increase in the services of healthcare, geriatric services, senior recreation, nursing homes and public assistance services. It also contributes to the decline in the workforce and requires succession planning for the exit of the older population. The

growth in Latino population has helped to balance out the workforce numbers in many sectors. Other notable workforce changes include the increase in remote workers and in the commuting workforce. (Desired Outcomes C-22 through C-26)

Limited Career Jobs. Although the number of jobs has reached pre-recession numbers, job growth in the County is slow in comparison to other resort communities. On the surface it appears that the economy is strong as represented by the significant decrease in unemployment. However, the decrease in unemployment number is due primarily to the decrease in the number of workers in the area. Many workers have multiple part-time jobs and opportunities for career jobs are seen as limited. The existing job sectors do not appear to have enough "bandwidth" in the career spectrum to accommodate lateral and upward movement. (Desired Outcomes B-1 through B-3, C-20 through C-22, D-1, D-5, E-2)

Sector Diversity. The 2008 recession led to a decrease in the number of jobs in the area, especially in the construction sector. In four years, the construction industry plummeted from the largest to the fourth largest sector by employment. For this and other sectors that experienced declines in employment, it is unlikely for lost jobs to come back. Unless the County reverts to the growth rates it had prior to the recession, it is not realistic to see an entire rebound in construction employment. As retail increasingly moves to online vendors, retail employment will continue to decrease, even though retail servicing tourists and second homeowners remains strong. Blaine County cannot rely on an increase in employment in these two sectors in the future and must continue to look creatively for future job growth. (Desired Outcomes A-1 through A-7~~8~~, C-1 through C-4, C-20, C-21, D-1 through D-5, E-2)

⁷ Inaccuracies in job and wage data due to non-reporting of undocumented workers may exist, but the extent is unknown.

High Economic Seasonality. Like other resort counties, there is a shift in employment from season to season. This shift reduces the stability of the economy as a whole and reduces the number of services and amenities available to citizens during the shoulder seasons. It also reduces the number of visitors to the County during the shoulder seasons, as some services and amenities are not open. (Desired Outcomes A-67, A-78, C-14 through C-21, D-1)

Workforce Housing Inventory. High housing costs and lack of enough housing for the Blaine County workforce, including seasonal workers, are the most significant constraints on sustainable business growth and attracting new employees. Housing costs are driven by the limited availability of land, high construction costs, neighborhood and other pressures that affect housing development and lack of investment capital for multi-unit developments. High housing costs impose a significant burden on residents who rely on seasonal employment or that are employed in the lower paying service sector. Many workers are forced to live a significant distance from their place of work resulting in economic leakage from our communities and loss of productive/family time due to extended commutes. Solutions to this issue are primarily discussed in the Chapter 2. (Desired Outcomes A-34, C-7, C-8, C-13, C-25, D-2, E-1, E-3)

Infrastructure. Keeping pace with infrastructure needs of the workforce - including but not limited to reliable air service, fast and reliable broadband and cellular service (especially in areas off the Hwy 75 corridor), public transportation, and highway and County road capacity and maintenance - are all vital to a growing economy. Related sectors including education also rely on strong infrastructure. These public facilities can be costly to providers and funding can be vulnerable. One example is public transportation which is heavily dependent on public funding and represents a need, particularly in outlying areas of the County. (Desired Outcomes A-45, C-9 through C-13, C-18, D-2, E-1)

Land Use. The availability of appropriately zoned land for industrial and commercial uses is important for expanding businesses and to attract new businesses. Enlarging these types of zoning districts, both in the County and in the cities, can be challenging due to real or perceived impacts on surrounding uses, especially residences. (Desired Outcomes A-3, A-5, C-3 through C-8, D-5, E-3)

Need for Improved Circular Economic Models. A circular economic model is a holistic approach to economic development that is designed to enhance business, society and the environment. It limits the consumption of finite resources and designs waste out of the system. A circular economy is synonymous with regenerative management and can provide year-round economic stability while simultaneously providing benefits to the environment and community. The circular model builds economic, natural, and social capital. (Desired Outcomes D-6)

Changing Agricultural Landscape/Optimization of Agricultural Value. In 1930, there were more farms and more food being produced and consumed by Blaine County residents than there are today. While agriculture has continued to be a part of the economy of the region, the reliance upon volatile commodity markets and lack of regional infrastructure disincentives the transition to regenerative agricultural models. At the same time, the demand for locally grown food and organic foods are increasing across the country. Blaine County agriculturalists have an opportunity to meet growing market demands and ensure farmland preservation for generations to come. To ensure regional resilience, agriculturalists and entrepreneurs must work together to regenerate the resources of the County. Entrepreneurial businesses that provide alternative revenue streams for farmers and ranchers help retain the value of natural resources in the bioregion. For example, vertical integration of business models can help boost the business efficiency for local producers. Examples include on-site malting and milling facilities, supporting the creation of new supply chains for agricultural products, and enabling infrastructure that

can support production of value-add products, such as baking, distilling, brewing or preserving. Additionally, incorporating agritourism opportunities, like on-farm camping and fishing, promote natural resource regeneration and bolster tourism related activities. Regenerative management on agricultural lands can provide more nutrient-dense food for community members and visitors, additional revenue streams and provide ecosystem services to help mitigate the effects of climate change. (Desired Outcomes C-2, C-7, C-14, C-15, D-5, D-6, E-2)



Photo credit: Poppy Millington



Ketchum Streets - Tory Taglio

Desired Outcomes

Economic development in Blaine County is accomplished by a variety of project partners, described earlier in this Chapter. In many, if not most instances, Blaine County is not the lead agency on economic development. The Desired Outcomes below are organized by those where Blaine County has a primary role, and those where Blaine County is in a support position with other economic development partners. In some cases, both Blaine County and its partners have a role in reaching economic goals.

A. Business Formation & Job Growth

Desired Outcome: Sustainable job growth in the County.

Policy Statements:	Blaine County Lead Role	Other Economic Development Partners Lead Role
A-1 Assist in data collection and monitoring as needed to monitor economic development indicators and trends. Work with economic development partners to develop a solid countywide data base of indicators.	X	X
A-2: Support and encourage business recruitment, retention, and expansion consistent with the goals identified in this Plan.	X	X
A-3: Plan for adequate space for new businesses and the expansion of existing businesses in locations consistent with the goals identified in this Plan.	X	X
A- 3 4: Identify and, if appropriate, implement state and government related business incentives (such as property tax exemptions and other incentive programs under Idaho Code). Make information known and available to new and existing businesses and encourage local utilization of these incentives.	X	X

A-45: Explore the formation of Community Improvement Districts, Business Improvement Districts, Local Improvement Districts, and Urban Renewal Agencies in the unincorporated County.	X	X
A-56: Support overall county GDP growth by supporting local businesses consistent with the goals identified in this Plan through the application of government/state grants.	X	X
A-67: Support overall county GDP growth by supporting the recreation and tourist industry through advertising and marketing.		X
A-78: Leverage Blaine County's landscape, outdoor recreation, agriculture and tourist profile to target outdoor and recreation type businesses, and other location appropriate businesses.	X	X

B. Talent Attraction & Workforce Development

Desired Outcome: A strong workforce and ability to attract new talent.

Policy Statements:	Blaine County Lead Role	Other Economic Development Partners Lead Role
B-1: Work with CSI, higher education institutions and local schools to expand higher education opportunities in Blaine County, including the development of technical colleges and apprenticeship programs.	X	X
B-2: Increase local businesses awareness of outside higher education institution classes that are offered locally to benefit their employees.		X
B-3: Support community led programs that focus on attracting talent for key skills gaps, young professionals' recruitment, and similar needs.		X

C. Economic Balance and Stability

Desired Outcome: An economy that is well balanced and diversified.

Policy Statements: General	Blaine County Lead Role	Other Economic Development Partners Lead Role
C-1: Create and support an economy that not only appeals to visitors, but also supports locals' economic needs and desires to sustain Blaine County's "authentic" town feel and reputation.		X
C-2: Guide economic growth in a way that will result in a balance between economic <u>interests</u> and environmental <u>and human health</u> interests.	X	X

Policy Statements: Growth and Land Use		
C-3: Maintain an adequate supply of land for the needs of commercial, mixed-use and light industrial purposes for business space and recreational and tourist activity <u>in locations consistent with the goals identified in this Plan.-</u>	X	X-cities
C-4: Monitor and plan for the availability of industrial-zoned land to support uses which are land-intensive and generally incompatible in cities. Discourage the displacement of industrial zoned land by residential-only development. Work with economic development partners to promote light industrial areas in the County to attract and retain suitable businesses.	X	
C-5: Support land use principles that adapt to the needs of employers whose businesses are located in unincorporated Blaine County, particularly light industrial employers and their land use needs, so as to better assist in their continued success.	X	
C-6: Promote infill for new construction as a priority in already developed areas as opposed to outwards expansion. Encourage cities to modify ordinances to allow for appropriate commercial and industrial infill.	X	X-cities
C-7: Support the development of live-work options, <u>on-farm housing opportunities</u> , and other employee housing options for businesses located in appropriate areas of the unincorporated <u>areasCounty</u> .	X	
C-8: Housing for the workforce is critical to our economy. Explore a broad approach to such housing consistent with the goals of this Plan.	X	X
Policy Statements: Infrastructure		
C-9: Support and facilitate improvements to Friedman Memorial Airport consistent with Chapter 1A of this Plan.	X	X
C-10: Continue to maintain county roads and other county infrastructure for commuters, tourist and recreational travel, and for transport of goods and services.	X	
C-11: Support improved maintenance of state and federal highways for commuters, tourist travel, and for transport of goods and services. Support improved public transportation in outlying areas of the County.	X	
C-12: Work with providers on opportunities to increase broadband availability and quality of service for public safety. Support options for enhanced cellular telephone service consistent with the goals of this Plan.	X	X
C-13: Consider workforce housing as a type of infrastructure necessary for economic well-being.	X	X
<u>C-14: Support the development of necessary supply chain security infrastructure pieces necessary to ensure an adequate buffer stock of food and other essential products.</u>	<u>X</u>	<u>X</u>
Policy Statements: Tourism		
C-1 <u>5</u> 4: Continue to explore new initiatives that increase tourism opportunities based on Blaine County's unique assets and attributes, such as <u>agritourism, cultural and historic features, and</u> the International Dark Sky Reserve.	X	X

C-165: Collaborate with local and regional partners to market and advertise Blaine County’s travel and tourism product. Engage with these partners to include the local perspective in tourism marketing decisions.		X
C-176: Continue to focus on opportunities to extend the length-of-stay of visitors and increase the number of repeat visitors, as well as attracting “next generation” visitors, balancing impacts of tourists on local residents. Seek to monitor and manage expectations of tourists, locals and providers.		X
C-187: Support special events that have a positive year-round economic impact on the County and communities, including offering diverse cultural experiences to visitors as well as enhancing residents’ quality of life, including streamlining the special event permit process in the unincorporated area.	X	X
C-198: Continue to maintain and improve county infrastructure that supports tourism activities and events, such as seasonal roads, docks and bridges; river access points including parking; snowmobile trails and camping.	X	
C-209: Support opportunities, consistent with zoning and the goals of this Plan, to spread tourism geographically throughout the County, to reduce visitor pressure on popular sites.	X	X
Policy Statements: Seasonality		
C-219: Support the reduction of the seasonal economy peaks and valleys by identifying year-round business sectors that are compatible with the community’s values. Provide support and infrastructure for the identified sectors to thrive in Blaine County.		X
C-230: Support efforts to mitigate the natural ups and downs in the business cycle and the “boom and bust” nature of some resort areas by identifying opportunities to recruit anti-cyclical business and institutions like education.		X
Policy Statements: Income, Wages and Demographic Needs		
C-231: Encourage existing and new businesses to provide employment with a living wage appropriate to region, increasing full-time employment.		X
C-242: Support new or encourage existing businesses to provide goods and services that are in high demand by residents such as general shopping: retail, groceries, and consumer electronics, thereby encouraging residents to shop locally.		X
C-253: Support new businesses that provide goods and services to sectors where demographic growth is evident, such as the Latino and aging populations.		X
C-264: Continue to actively pursue policy options that provide opportunities for employees to live in Blaine County in housing that is affordable to them.	X	X
C-275: Support the growing demographic of remote workers in Blaine County through the expansion of broadband and cellular service in areas supported for residential growth by this Plan, and improved ease of business travel.	X	X

D. Build Economic Resilience

Desired Outcome: The County's economy is able to handle unforeseen economic turmoil.

Policy Statements:	Blaine County Lead Role	Other Economic Development Partners Lead Role
D-1: Support policies that work towards a diversified County economy, drawing upon multiple, recession-resistant sectors. Consider both rapidly growing new industries and established, stable ones, consistent with local values and goals identified in this Plan.		X
D-2: Invest in county facility improvements and infrastructure in times of economic strength.	X	
D-3: Focus on long-term planning and analysis of county-wide financial and economic health.		X
D-4: Analyze, plan for, mitigate and respond to near, medium and long term economic risks from climate change impacts, including snowfall changes, drought, fire and flooding, especially on tourism, agriculture and infrastructure. Take similar actions for resiliency to risks related to other types of threats, including but not limited to health, mental health, and food stability.	X	X
D-5: Encourage appropriate and right-sized siting of innovative food growing, processing and manufacturing and local clean energy production, enhancing our security, environment and economy. <u>Encourage –additional federally-designated consumer food hubs to enhance food security and resiliency.</u>	X	X
<u>D-6: Optimize the value of regional resource streams through the enablement and support of circular economic models, enterprise diversification, and correlated supply chains while protecting watershed quality, native habitats and key recreational access points in unincorporated Blaine County.</u>		X
D-7: Blaine County government should nurture a resilient, <u>inclusive</u> , workforce. Encourage other government entities and private industry to do the same.	X	

E. Encourage Regional Collaboration

Desired Outcome: An environment of regional collaboration to collectively bring economic benefits to the County.

Policy Statements:	Blaine County Lead Role	Other Economic Development Partners Lead Role
E-1: Work collaboratively with other Blaine County political subdivisions, the private sector and non-profit organizations to strive for economic changes that benefit both current and prospective business, such as upgrades to infrastructure or affordable business real estate.		X

<u>E-2: Work collaboratively with regional entities including municipalities, private sector and non-profit organizations to address the current and future economic impact of agricultural practices and natural resource management on residents, communities- (both social and ecological) and visitors.</u>	X	X
E- 3 2: Reach out to outside agencies, such as the Idaho Department of Commerce, for resources and assistance in developing entrepreneurial business incubators.		X
E- 4 3: Continue to work with other Idaho cities and counties, particularly resort Idaho counties, to understand the government roles in economic success.	X	X
E- 5 4: Expand the scope of regional collaboration to include ethnic and socio-economic diversity.	X	X

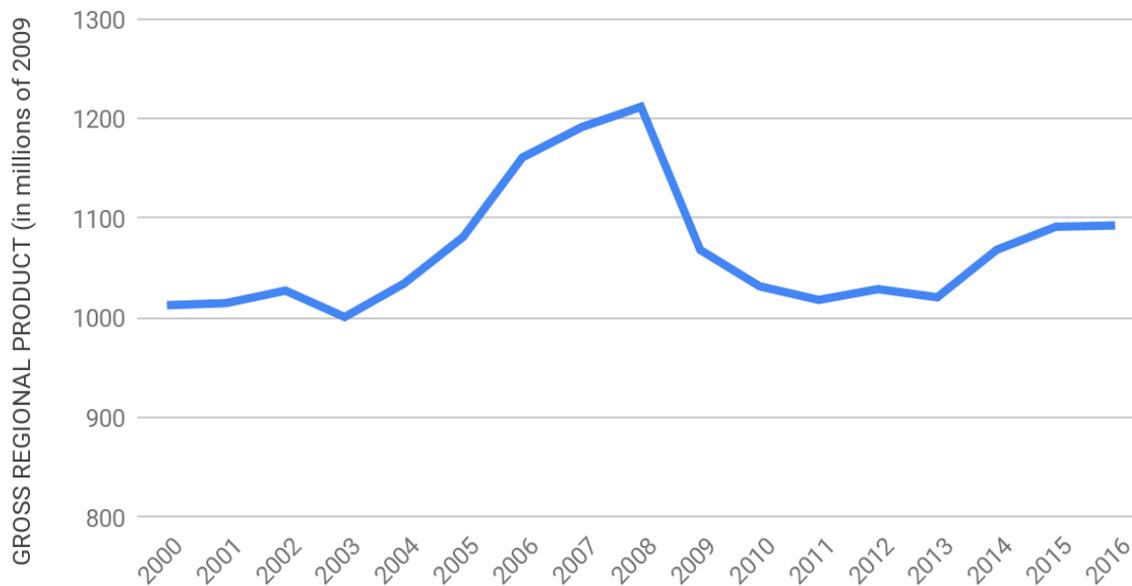


Early Construction in Blaine County - Photo courtesy of Hailey Public Library Mallory Collection

Appendix

Gross Domestic/Regional Product

Blaine County Gross Regional Product, 2000-2016 (in millions of 2009 dollars)



Woods & Poole Economics, Inc. (2018). *2018 Data Pamphlet*. Washington D.C.

Economic Profiles

Sun Valley Economic Development prepares annual economic profiles for Blaine County and each of the incorporated cities. The 2018 Blaine County Economic Profile is attached at the end of the Appendix. The current link to the SVED profiles is: <https://sunvalleyeconomy.com/profiles/>

The Idaho Department of Labor prepares regular "Workforce Trends" for each county. A copy is attached at the end of the Appendix. The current link to the Department's document is:

<https://lmi.idaho.gov/Portals/0/2019/WorkforceTrends/BlaineProfile.pdf>

Comparison to Other Mountain Resort Counties

When compared to other similar mountain resort counties, Blaine County typically finds itself in the middle of the pack for most economic indicators. Out of eight resort counties profiled in 2017, it is fifth in population, sixth oldest in median age, fifth in median household income, fourth in total personal income, and has the third lowest unemployment rate.

All counties profiled experienced a dip in total employment numbers after the 2008 recession and have subsequently seen a rise in employment over the past few years. However, Blaine County's employment numbers saw the least amount of recovery, with 2017 employment only being 42 jobs higher than 2008's total employment.⁴ This is far below the average job increase for the counties of 1,279.

The lack of job growth in Blaine County can be partially attributed towards the stagnant population growth. From 2000 to 2017 the county's population had a year over year increase of 1.1%, with a modest decline in 2009 to 2011, as an impact of the 2008 Great Recession. From 2000 to 2017, Idaho population grew by 33% while Blaine County grew by 15%. Additionally, the median age for the county increased from 39.5 to 42.8 during those years. The 65 years and older age group increased from 10.5% of the population in 2010 to 16.5% in 2017. The aging population also contributes to loss of work force and lack of job growth.

In terms of employment sectors, Blaine County is in line with the other mountain resort counties. 5 of the 8 counties profiled have two sectors -- entertainment, recreation, and accommodation and educational services, health care, and social services -- as the two largest economic sectors, including Blaine County. Of the profiled counties, all had similar rates of employment in retail, construction, and manufacturing, minus one outlier in each category.

Where Blaine County differentiates itself is within self-employment, with the County having a self-employment rate (14.8%) over two percent higher to the next closest county.

Mountain Resort County Employment by Sector, 2017

	Blaine County, ID	Bonner County, ID	Teton County, ID	Teton County, WY	Routt County, CO	Pitkin County, CO	San Miguel County, CO	Flathead County, MT
Percentage of Employment in Retail	11.8%	12.5%	12.6%	7.3%	9.9%	8.9%	10.4%	13.8%
Percentage of Employment in Construction	9.6%	9%	16.9%	7.7%	9.9%	7.4%	9.1%	8.8%
Percentage of Employment in Entertainment, Recreation, Accommodation, and Food Service	19%	9.9%	14.8%	28.3%	18.8%	27%	24.5%	10.9%
Percentage of Employment in Manufacturing	3.3%	13.9%	5.5%	1.4%	3.5%	2.9%	3.2%	5.7%
Percentage of Employment in Educational services, Health Care and Social Services	15.6%	19.2%	14.2%	20.7%	16.9%	14.1%	12.7%	23.5%
Percentage of Workers Self-Employed	14.8%	11.2%	8.4%	6.5%	6.1%	12.3%	12.1%	6.9%

 -Denotes largest employer in county

 -Denotes second largest employer in county

U.S. Census Bureau.. Selected Economic Characteristics, 2013-2017 American Community Survey 5-year estimates.

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