

CHAPTER FOUR - ECONOMIC DEVELOPMENT



4.0 Introduction

The City's Comprehensive Plan is based on a clear understanding of the desired economic future for the City and the region, providing places and support for the location of economic activity while at the same time protecting and enhancing the aspects that are conducive to its competitive advantage.

All solutions to national economic problems will not be found at a national level. Local communities can and should devise solutions that fit their unique situations. Within limitations, local government can and should play an important role in economic development. The most appropriate role depends on the situation, but includes acting as a catalyst, facilitator, and direct provider of assistance. Local government, to the greatest extent possible, should use the resources of other segments of the community to carry out its strategies.

An overall competitive advantage of city of Payette is its desirability as a place to live. Efforts to improve the local economy should be coordinated with other community development objectives to maintain the values in city of Payette.

The city of Payette's economic base is gradually evolving to one that relies less on agriculture and more on retail, commercial and light industrial revenues and jobs. Equally important is the community support of existing small businesses that are considered the economic backbone of the community. A strong, diversified economy in Payette and the surrounding region is critical to the well being of the residents of the city and Payette County.

The Payette City Council and local economic development groups continue to strategize and implement economic development incentives to attract new businesses and encourage the support and retention of existing businesses.

As part of the Comprehensive Plan process, the City had the planning team to undergo a economic development plan that directs the future economic growth of the city of Payette.

4.1 Existing Conditions

4.1.1 Current Businesses - Payette's major employers fall within the fields of education, retail trade, administration, agricultural food processing, manufacturing and distribution, and healthcare. A few examples of the products produced in Payette include: Teton Machine, a registered precision machining contract manufacturer; the Marshall Company, a public building furniture manufacturing company; fruit and vegetable distributor Central Produce; Seneca Foods, the largest processor of fruits and vegetables; and Riverfront Produce Company, growing, packing and shipping premium Spanish sweet onions.

Major employers in Payette are identified in Exhibit 1.

Exhibit 1: Payette Major Employers

Business	Number of Employees
Payette School District	188 full and part time
Seneca	150
Payette County	125
Albertsons Store	80
Central Produce	60 - seven months of the year
City of Payette	50
Riverfront Produce	50 - seven months of the year
Genesis Healthcare	48
Teton Machine	40
The Marshall Company	30

4.2 Workforce

Payette's workforce consists of a variety of industries that provide employment opportunities. Based upon the 2014 data, Exhibit 2 shows that 19.8% of the city's workforce is in retail, 15.3 % is in manufacturing, and 13.5% is in education, health care, and social assistance.

There was no data for the city of Payette in the area of wages and jobs by industry, but Exhibit 3 shows that Payette County wages and jobs were the largest among services related industries at \$37,539 with 3,221 jobs. Exhibit 4 identifies the growth in various industries in Payette County since 1970. The farming and construction community has lost jobs from 1970 to 2000. All others have increased job opportunities in the same time period.

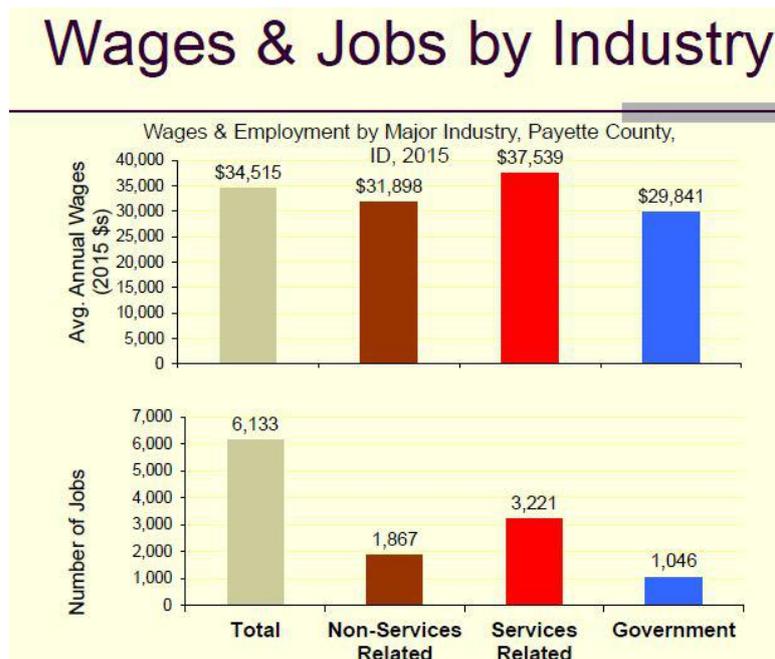
Exhibit 2: Employment by Industry 2014

Employment by Industry Sector, 2014

	Percent of Total	Payette County	Payette City	Idaho	U.S.
Ag, forestry, fishing & hunting, mining		6.1%	6.5%	5.7%	2.0%
Construction		5.4%	4.0%	7.1%	6.2%
Manufacturing		14.7%	15.3%	9.9%	10.4%
Wholesale trade		3.8%	5.1%	2.6%	2.7%
Retail trade		14.8%	19.8%	12.2%	11.6%
Transportation, warehousing, and utilities		6.4%	9.2%	4.8%	4.9%
Information		2.0%	0.9%	1.9%	2.1%
Finance and insurance, and real estate		3.6%	3.4%	5.3%	6.6%
Prof, scientific, mgmt, admin, & waste mgmt		5.4%	3.3%	9.8%	10.9%
Education, health care, & social assistance		20.1%	13.5%	22.4%	23.2%
Arts, entertain., rec., accomodation, & food		8.1%	9.0%	8.7%	9.5%
Other services, except public administration		5.1%	5.4%	4.3%	5.0%
Public administration		4.4%	4.6%	5.3%	4.9%

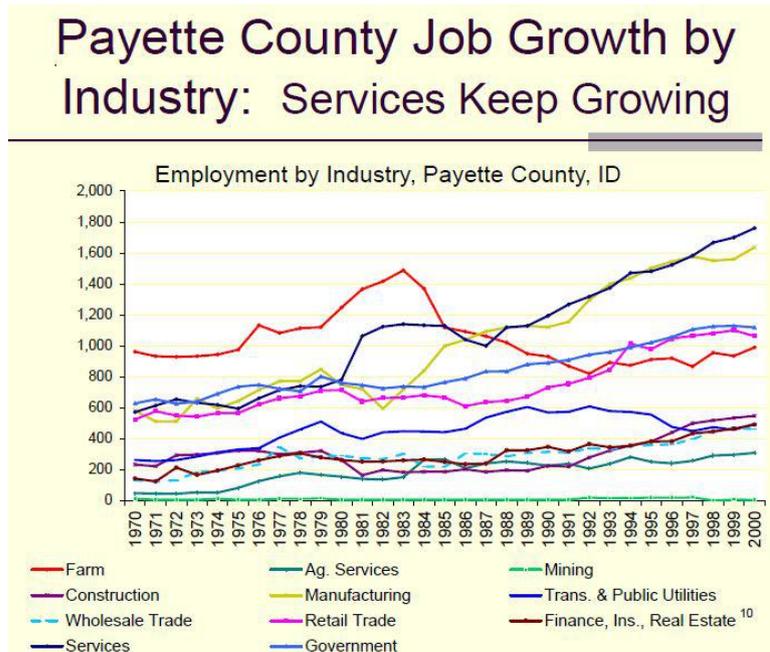
Source: U.S. Department of Commerce. 2015. Bureau of Economic Analysis, Regional Economic Accounts, Washington, D.C. Table CA25N.

Exhibit 3: Wages and Jobs by Industry



Source: U.S. Department 2016. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Washington, D.C. of Labor.

Exhibit 4: Payette County Job Growth by Industry

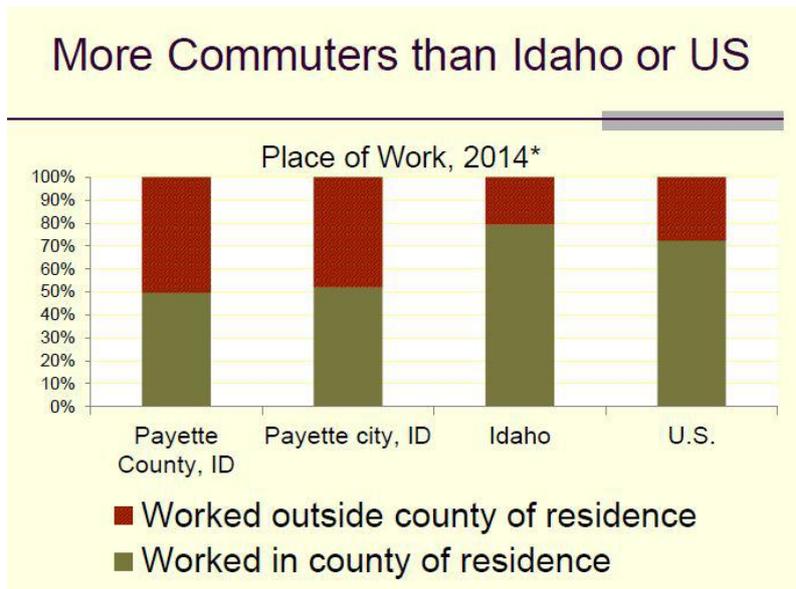


Source: U.S. Department of Commerce. 2015. Bureau of Economic Analysis, Regional Economic Accounts, Washington, D.C. Table CA25N.

4.3 Commuting to Work

Exhibit 5 shows that in the city of Payette and Payette County fifty percent of the residents work outside of the city and county, more than the average for Idaho or the U.S. Payette residents are more likely to commute for employment than other Idahoans.

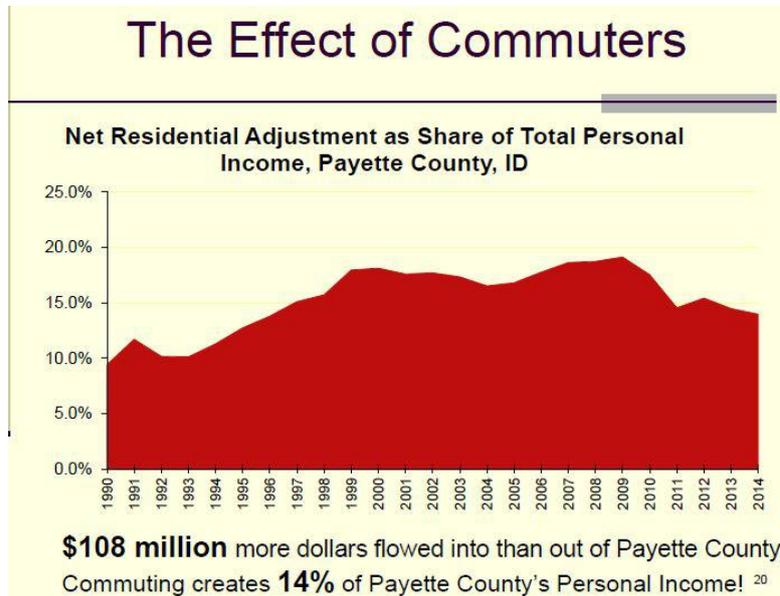
Exhibit 5: More Commuters than State or National Average



Source: U.S. Department of Commerce. 2015 Census Bureau, American Community Survey Office, Washington, D.C.

There is always a concern that revenue is lost when residents of a city commute outside of their community, due to the increased likelihood that they will spend shopping dollars where they work. Exhibit 6 shows that \$108 million dollars flowed into rather than out of Payette County.

Exhibit 6: The Effect of Commuters

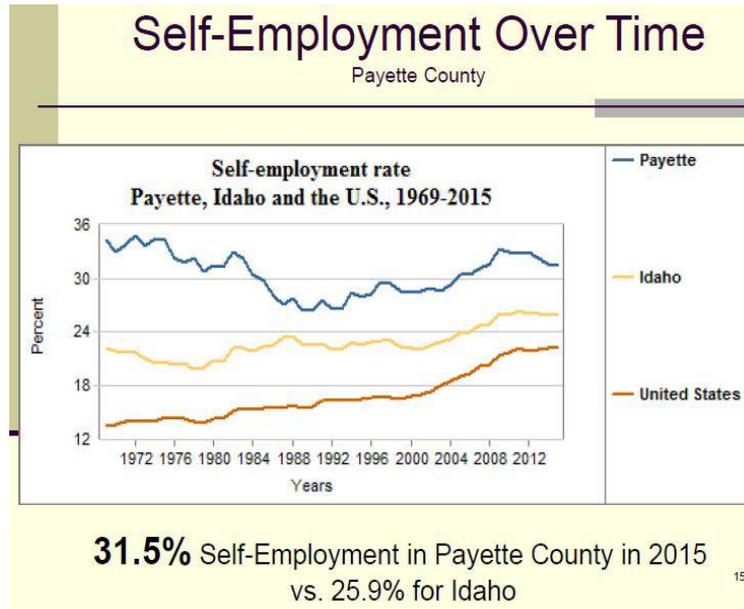


Source: U.S. Department of Commerce. 2015. Bureau of Economic Analysis, Regional Economic Accounts, Washington, D.C. Tables CA30 & CA91.

4.4 Employment

In general, it is understood that the rise of the internet has facilitated a nation-wide expansion in self-employment through home businesses or through working a job remotely from home. In many cases this means local residents can be employed almost any place in the world. Payette is no exception to this emerging trend. Exhibit 7 shows that Payette County has a larger percentage (31.5%) of self-employed individuals than Idaho (25.9%) and the United States.

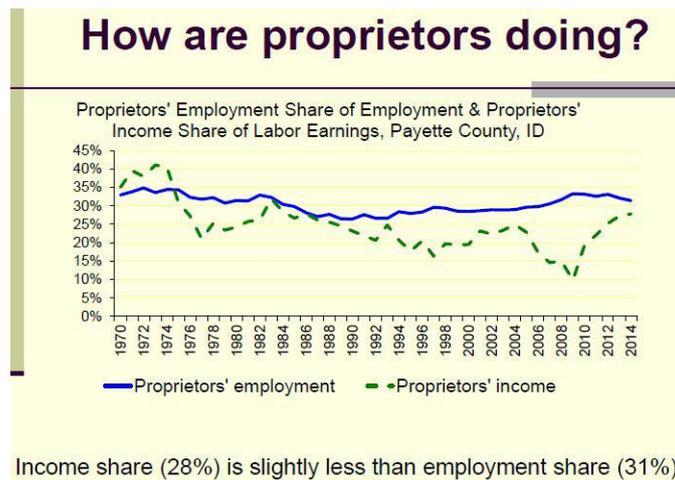
Exhibit 7: Self-Employment



Source: 1969-2016 Bureau of Economic Analysis, Regional Economic Data, Local Area Personal Income, Table CA25 (<http://www.bea.gov/iTable/iTable.cfm?ReqID+70&step+1>)

Exhibit 8 identifies that proprietors' earnings have fluctuated since 1970 with the deepest erosions during the recessions of 1976, 1998, and 2009. The 35% income shares have not reached this capacity since 1970. The income share of 28% is slightly less than the employment share of 31%. In other words, in Payette County those who are self-employed tend to have slightly lower incomes than those in traditional employment.

Exhibit 8: Proprietors

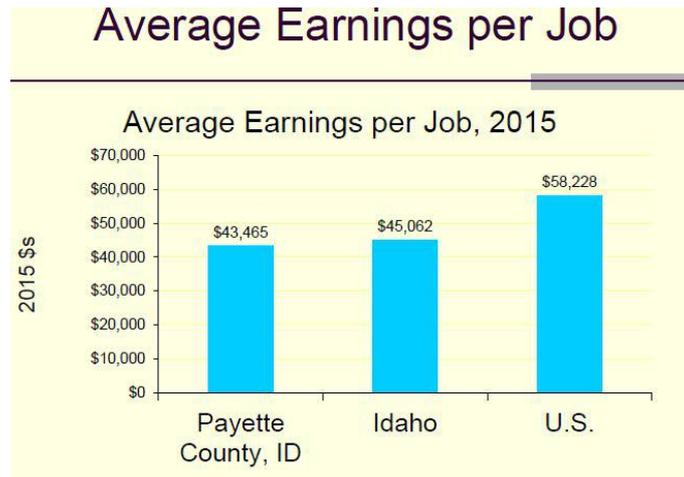


Sources: U.S. Department of Commerce. 2015. Bureau of Economic Analysis, Regional Economic Accounts, Washington, D.C. Table CA30.

4.5 Household Incomes

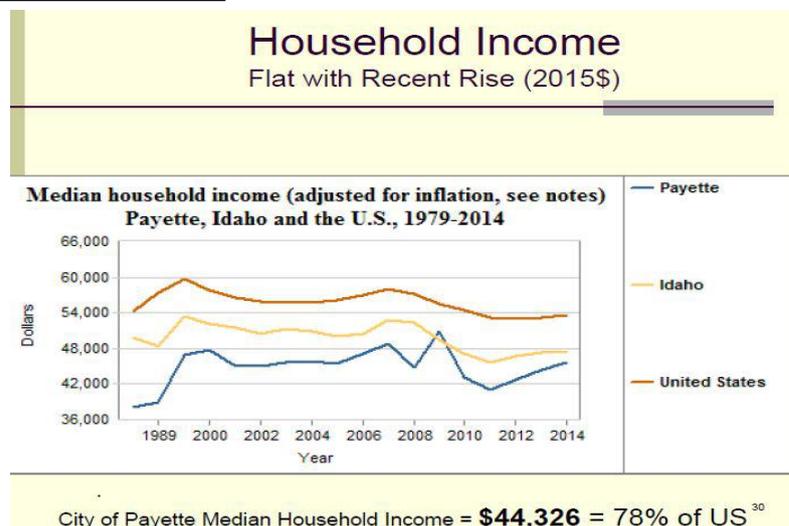
Exhibit 9 shows that the average earning per job in Payette County is \$43,685, which is lower than the average earning per job in Idaho (\$45,062) and the United States (\$59,228). While the median household income in the city of Payette is \$44,326, as shown in Exhibit 10, it is similarly lower than State and National levels.

Exhibit 9: Average Earnings per Job



Source: U.S. Department of Commerce. 2015. Bureau of Economic Analysis, Regional Economic Accounts, Washington, D.C. Table CA30.

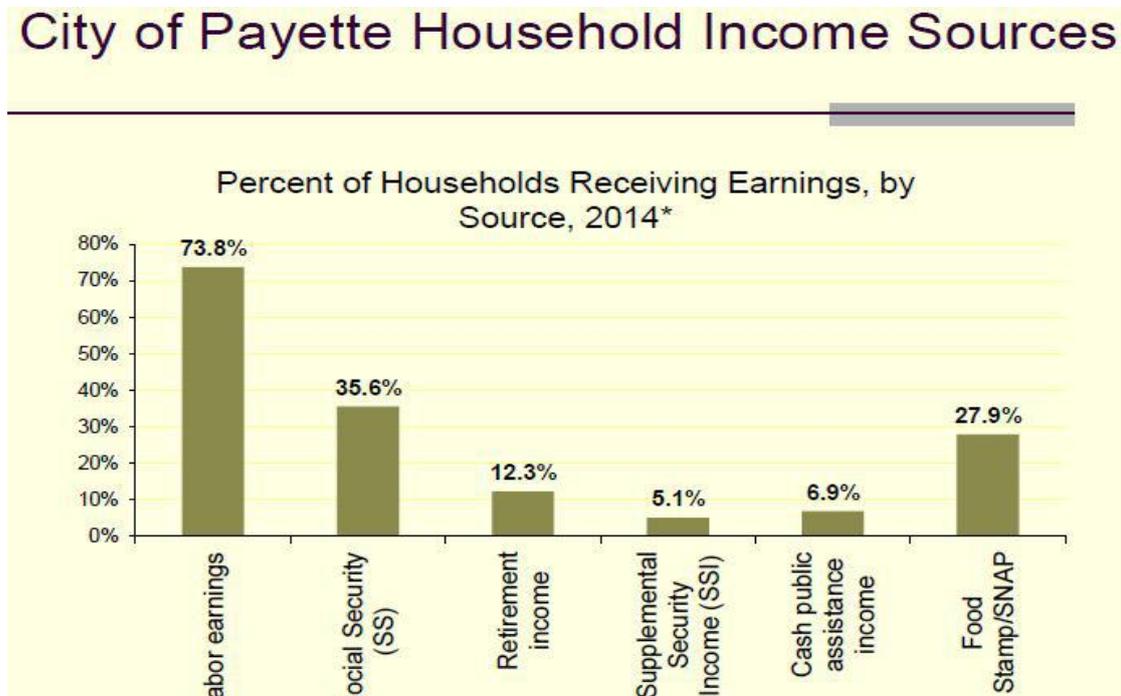
Exhibit 10: Household Incomes



Source: 1979: U.S. Bureau of the Census, Census of Population and Housing, USA Counties, (<http://censtats.census.gov/usa/usa.shtml>); 1989 and 1999: U.S. Bureau of the Census, Census of Population and Housing, American Factfinder, (<http://factfinder2.census.gov/>); 2000-2016: U.S. Bureau of the Census, Small Area Income and Poverty Estimates, (<http://www.census.gov/did/www/saipe/>)

Exhibit 11 provides a description of household income sources and shows the percentage of city households that receive income from each source. In 2014, 72.8 percent of households received their earnings from labor. Earnings from Social Security is second with 35.6 %. It should be noted that almost 28% of Payette households receive income support.

Exhibit 11: City of Payette Household Income Sources



Source: U.S. Department of Commerce. 2015. Census Bureau, American Community Survey Office, Washington, D.C.

4.6 Downtown/ Central Business District (CBD)

4.6.1 Historic Structures - Payette's downtown has over eighty percent of its original structures intact. Many of these structures and facades are worthy of preservation and continued use. Preserving old buildings that are functional and keeping their historical significance is very important.

The Downtown/Central Business District (CBD) is the heart of the city of Payette. As the heart, it offers an opportunity to capture the historic “feel” of Payette that attracts tourists and builds civic pride. Over the years, many dedicated efforts have been made to preserve and improve the streetscape and buildings. In 1985, the “Payette, City Center Plan” by Planmakers was completed. This document is a useful foundation for the future revitalization of the CBD.

It should be noted that the City and County offices, the post office, library and historical museum are located in the downtown and their presence is important.

Investing in the downtown to attract residents and tourist is a continual process and new opportunities need to be created. Questions to ask include: What makes the downtown unique? What activities will bring people to the area? What economic opportunities are available? What type of funding will be needed to implement a revitalization program?

4.6.2 Downtown Streetscape Plan - Well-designed streets and sidewalks add value and act as a catalyst to the development of private property. The required capacity of the street to carry traffic determines, in part, the land uses appropriate for that street. Sidewalk width, street lights and other amenities affect pedestrian activity and a block's aesthetic quality, which can determine how adjoining private land is developed and used in the future.

4.6.3 Revitalization Efforts for Downtown - Renewed efforts should be organized to make small but successful downtown improvements or strategize new events or improve buildings. A downtown merchants' organization should be considered, joined by other City supporters and activists. Community Development Block Grants are available from the State for infrastructure and downtown improvements; however a City financial match is required. Business Improvement and Local Improvement and Urban Renewal, Community Development Block Grants as well as other funding opportunities may be available to the City to further its revitalization efforts. This is why an updated revitalization plan is so important to strategize the future direction, identify funding opportunities, prepare and implement a market analysis of the area and garner community support.

4.7 Economic Development Strategies

During the period from August 2017 through November 2017, the City of Payette engaged in a process to develop targeted Economic Development Strategies for the community. This planning foundation was intended to provide both an initial and long term "road map" as the City of Payette increases its investment of resources in Economic Development initiatives. In addition, this information has been used to guide the discussion and outcomes for the Economic Development chapter under the current Comprehensive Plan update process.

A participatory decision-making process was utilized to engage a broad planning task force established by the City and comprised of various community stakeholders including private industry and commerce. State level and regional economic development entities were also included in the overall process.

This project utilized recent information developed by the City and the Comprehensive Plan as base level data upon which to move forward with strategic planning activities. This included the creation of a Community Vision, a review of current socio-economic factors for the community, and identification of general economic development goals and objectives.

Building upon the group discussions and planning work that has been previously described, five primary goals emerged as having the highest potential for effective and successful implementation:

1. **Value-Added Agriculture**
2. **Attracting Retirees**
3. **Promoting a Rural Way of Life**
4. **Business Retention and Expansion**
5. **Improving Local/Regional Tourism**

Twenty-two action strategies related to these goals were also brainstormed. Out of these, the group prioritized six top actions as the best places to start the process for enhancing economic development efforts in Payette.

In addition, a cross-cutting strategy was discovered that supported most, if not all of these goals. This concept revolves around developing improved communications sources for better understanding of community-based resources and initiatives promoting economic development. This will be reflected in several action strategies described in the next report section.

The Economic Development goals, strategies and action steps listed below reflect the top priority initiatives for moving the economy of Payette forward. These shorter term goals are also consistent with the longer term goals of the Comprehensive Plan as stated at the end of this Chapter. In other words, they are designed to “fit within” this longer-term vision.

Each of the following short-term goals also states (in parenthesis), the Comprehensive Plan Goal and Objective with which it is consistent.

Value-Added Agriculture

(Business and Industry Location and Growth, Goal 1, Objective 2)

GOAL 1: **Support efforts to diversify and sustain agriculture in the surrounding area.**

OBJECTIVE 1: Support direct farm-to-consumer sales.

STRATEGY 1: Allow the Payette Farmers Market to move into Kiwanis Park, partnering with the Payette Valley Food Connection.

STRATEGY 2: Update the sign code to allow direction signs for local agricultural producers on a seasonal basis.

STRATEGY 3: Support the County efforts to maintain areas for food production that serve local markets, such as community-supported agriculture.

A COMMUNITY THAT ATTRACTS RETIREES (*Community Livability, Goal 1*)

GOAL 1: Encourage and welcome retirees to Payette.

OBJECTIVE 1: Set up communications loop/hub re: retirees.

STRATEGY 1: Develop outreach information or social media piece to share Payette's livability and strong public services.

STRATEGY 2: Promote housing availability and affordability targeting early and traditional retirees.

RURAL WAY OF LIFE (*Community Livability, Goal 1*)

GOAL 1: Be a safe community that provides quality housing options, strong schools, and varied recreation choices for working families, individuals as well as retirees.

OBJECTIVE 1: Maintain existing recreation facilities and expand new recreational opportunities.

STRATEGY 1: Extend the Greenbelt to Rudy Park.

OBJECTIVE 2: Support downtown development/revitalization.

STRATEGY 1: Support appropriate code enforcement, facade improvements, and expansion of pedestrian facilities.

STRATEGY 2: Encourage more family dining options downtown and promote the location of unique or boutique retail services there.

RETENTION, EXPANSION, AND RECRUITMENT

(Business and Industry Location and Growth, Goal 2, Objective 1)

GOAL 1: **Build partnerships and collaboration between local businesses, the City, and community groups that enhance local business vitality and bring new businesses to Payette.**

OBJECTIVE 1: Work with existing businesses to remain or expand on their current sites or to relocate to more appropriate sites.

STRATEGY 1: Designate specific areas within the City’s land use plans that accommodate a business or employer requiring a very large site.

STRATEGY 2: Organize a committee/team to lead the economic development strategy.

OBJECTIVE 2: Conduct interviews of local businesses using a BRE template, edited down for brevity.

STRATEGY 1: Organize and train a local business interview team and develop an annual interview schedule.

LOCAL/ REGIONAL TOURISM

(Employment and Commercial Centers, Goal 2, Objective 2)

GOAL 1: **Promote local events, activities and amenities.**

OBJECTIVE 1: Promote and coordinate tourism opportunities in a multi-media fashion.

OBJECTIVE 2: Conduct a feasibility study for the development of lodging facilities in Payette.

OBJECTIVE 3: Implement City role for serving as a “pivot point” to facilitate strategies for economic development, including local and regional tourism.

STRATEGY 1: Utilize the City economic development committee as a forum for coordinating annual community plan for local tourism events.

COMMUNICATION

(Business and Industry Location and Growth, Goal 1, Objective 2)

GOAL 1: Develop opportunities to showcase business and community communications.

OBJECTIVE 1: Organize a committee/team to lead a communication strategy for the City.

STRATEGY 1: Use radio, TV, internet, mailers, newspapers, signage and other multi-media outlets to share information.

STRATEGY 2: Locate a city electronic reader-board at a strategic location to advertise local events.

STRATEGY 3: Develop a communications hub for community economic development news and community events.

4.8 Impacts of Proximity to Oregon

Payette’s close proximity to Oregon presents both economic challenges and opportunities for the community. Oregon does not collect sales taxes, which in part lures many Idaho shoppers to Ontario. In addition, the more central location of some Ontario commercial areas to the Western Treasure Valley metro area has led to more and larger commercial development. Both factors can divert business sales away from Payette.

However, the regional gains (such as employment and access to good retail services and health care) can be positive factors for Payette as it seeks to strengthen its economic position in the area. These conditions can help in efforts to target economic niches focusing upon small town appeal, livability, and a “business friendly” environment.

4.9 Regional Resources

The recommendations and policies of the Economic Development Plan can be implemented in various ways. There are numerous implementation programs and tools. The following list (in alphabetical order) of programs and tools are those that are available in the City of Payette.

4.9.1 Idaho Department of Commerce - The Idaho Departments of Commerce offers a number of grant programs to assist rural communities in the pursuit of community and economic development. For example, the Idaho Community Development Block Grant (CDBG) program offers financial assistance for economic development, housing,

infrastructure and public facilities. For additional information:
<https://commerce.idaho.gov/>

4.9.2 Higher Education - Regional colleges and universities are another resource available to the City of Payette, and are identified in Chapter 11.8. These institutions help provide training to meet labor force requirements, as well as other more direct services such as conducting surveys and studies in economic development. Additionally, BSU offers a business development program that assists small businesses, start-ups and expansions.

4.9.3 Payette Chamber of Commerce - The Payette Chamber of Commerce represents the majority of businesses in the City of Payette. Upon request, it provides a packet of information about the community, including comprehensive statistics, the educational system, businesses, City facilities, and much more.

4.9.4 Payette Industrial Corporation - The Payette Industrial Corporation is an independent for-profit corporation with a board of directors and stockholders. The Corporation owns property for commercial and industrial development with the goal of job creation.

4.9.5 Payette Urban Renewal Agency - Established in 2006, the Payette Urban Renewal Agency assists in economic development activities in the city of Payette.
<https://tax.idaho.gov/urbren2017payette.pdf>

4.9.6 Snake River Economic Development Alliance - The Snake River Economic Development Alliance is a non-profit, investor-supported, public-private organization dedicated to diversifying the regional economy by attracting new investment and jobs by recruiting new business and by assisting local businesses with their expansion efforts. The Alliance works closely with local economic development professionals and volunteers, as well as with the Chamber of Commerce in each community.

The Snake River Economic Development Alliance encompasses the counties of Payette and Washington in Idaho and Malheur County in Oregon.

4.10 Economic Development Goals, Objectives and Strategies

BUSINESS AND INDUSTRY LOCATION AND GROWTH

GOAL 1: Improve the economic well-being of the community through the efforts that entail job creation, tax base enhancements and the betterment of the community's rural lifestyle.

OBJECTIVE 1: The City of Payette serves as a central point for information, communication and facilitation of resources that promotes economic development.

STRATEGY 1: Develop partnerships and strategies with the business community and community organizations to promote industries identified in the economic development plan.

OBJECTIVE 2: Develop a specific strategy to capitalize on the mutual benefit of the connections between rural economies as producers of food and urban economies as processors and consumers.

STRATEGY 1: Partner with area communities to build on existing initiatives such as area Farmers Markets to strengthen the capacity and ensure the safety of the regional food network.

GOAL 2: Facilitate economic development opportunities to revitalize the community and create jobs.

OBJECTIVE 1: Maintain the city of Payette's diversified economic base and strengthen it by encouraging development of businesses in expanding industries.

STRATEGY 1: Identify industries to capitalize on for future growth.

EMPLOYMENT AND COMMERCIAL CENTERS

GOAL 1: Support Payette's diversified economic base by providing adequate land and infrastructure to make locations in the city attractive to business.

OBJECTIVE 1: Determine the number of areas of commercial and industrial lands needed to adequately support business expansion.

STRATEGY 1: Work with existing businesses to remain or expand on their current sites or to relocate to more appropriate sites.

STRATEGY 2: Designate specific areas within the City's land use plans that accommodate a business or employer requiring a very large site.

GOAL 2: **Promote local and regional tourism activities.**

OBJECTIVE 1: Establish a process to communicate upcoming events and activities to the community and general public.

STRATEGY 1: Encourage local and regional activities that will draw tourists to the city.

STRATEGY 2: Increase the number of lodging capabilities.

DOWNTOWN CENTRAL BUSINESS DISTRICT

GOAL 1: **Encourage the downtown core of the city of Payette as a destination area.**

OBJECTIVE 1: Update the City Center Plan of 1985.

STRATEGY 1: Enhance the economic vitality of downtown Payette by supporting, retaining and expanding local businesses, services and private enterprises.

STRATEGY 2: Determine the unique characteristics of the region and prepare a marketing strategy based on Payette's advantages.

STRATEGY 3: Encourage housing opportunities in second stories of structures in the downtown area.

STRATEGY 4: Support the location and growth of niche-type small businesses that provide unique goods and services for for visitors, employees and residents.

COMMUNITY LIVABILITY

GOAL 1: **Embrace the concept that livability enhances economic development by attracting new residents and financial resources.**

OBJECTIVE 1: Continue to be a safe community that provides quality housing options, strong schools, and varied recreation choices for working families, individuals, and retirees.

STRATEGY 1: Provide high quality recreational facilities.

STRATEGY 2: Enhance development of retail services.

WORKFORCE DEVELOPMENT

GOAL 1: Create job opportunities and advancement potential for city of Payette residents.

OBJECTIVE 1: Coordinate the community's vocational training programs with the specific needs of area businesses.

STRATEGY 1: Increase local efforts to provide area residents with the education, training and other assistance needed to do the jobs expected to be available in the community.

INFRASTRUCTURE

GOAL 1: Continue to support and maintain the public services and facilities to grow business in the city.

OBJECTIVE 1: Ensure that the City processes and regulations related to land development, permits, and construction are easy to understand and accessible to the public, including the network.

STRATEGY 1: Provide businesses seeking to start, locate or expand in the city with a clear explanation of development approvals, permits and licensing requirements, timely response, and assistance dealing with problems or issues in meeting requirements.