

IDAHO COMMERCE

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Director – Idaho Commerce
Senate Commerce &
Human Resources
Committee

March 9th, 2021

Idaho Commerce Responsibilities

- Survey and investigate the social, economic and physical resources.
- Prepare a comprehensive economic development strategy.
- Develop and promote a comprehensive international marketing plan
- Promote Idaho tourism, travel and convention industry
- Promote innovation and technological improvements for commerce
- Contract with universities, consultants and other private and public agencies
- Assist councils, commissions, and other partnerships for economic growth
- Enter into agreements with other agencies in developing economic and community plans and programs.
- Seek funds and incentives to accomplish Commerce Department's mission
- Compile and disseminate reliable data to attract people and capital
- Keep records, report and present L-T plans to Governor and Legislature
- Coordinate with local, state, federal and private agencies to promote Idaho

Mission

Mission: As the lead economic development agency for the State of Idaho, the mission of the Idaho Department of Commerce is to foster a business-friendly environment to aid in quality job creation, support existing companies, strengthen communities, promote innovation and market Idaho domestically and internationally.

Vision

Vision: The vision of Idaho Commerce is to support the growth of the state's economy with a thriving business environment. Our standard is to **"Move at the Speed of Business"** to accelerate the growth of the state's economy and ensure we are proactively anticipating the needs of businesses.

IDAHO

the "Brand"

Economic Development Priorities



Core Values and Guiding Principles



Advance Governor Little's Economic Development Priorities

Support Existing Businesses	Promote Idaho
Strategic Business Attraction	Advance Technology Ecosystem & Increase Broadband Connectivity
Support Rural Idaho	Utilize Responsible Incentives
Promote Good Trade Policy	Support "Idaho Rebounds" Recommendations



Core Values and Guiding Principles



Advance Governor Little's Economic Development Priorities

Support Existing Businesses

- 63K employers (250 w/ > 250 employees
- Econ. Development statewide network
- 80% econ. growth from existing businesses
- Approaching 1000 annual business visits
- CARES Act support, PPP, EIDL - \$3B, 30k
- CFAC member: \$1.25B CARES Act funds

Promote Idaho

- Marketing Idaho:
 - One Idaho, PPP/PPE
 - Commerce, International
 - Recreate Responsibly
- Tourism - 3rd largest industry: \$1.6B GSP
 - 46K jobs in Idaho
- Assist Idaho communities with Marketing

Strategic Business Attraction

- Idaho is "Top State" to consider for expansion
- Large/small businesses. Rural & Urban
- Business formations leading the nation
- Few incentives: TRI, Bus Advantage, Data Ctr.
- Major announcements in 2020 during COVID

Advance Technology Ecosystem & Increase Broadband Connectivity

- Ag Tech, Adv Mfg., Energy, Nuclear, Fin Tech, etc.
- Broadband infrastructure expansion: \$100M
- Cybersecurity Initiative:
 - High demand, strong economic attributes
 - Future Federal Funds
- IGEM: Mission & History for innovation

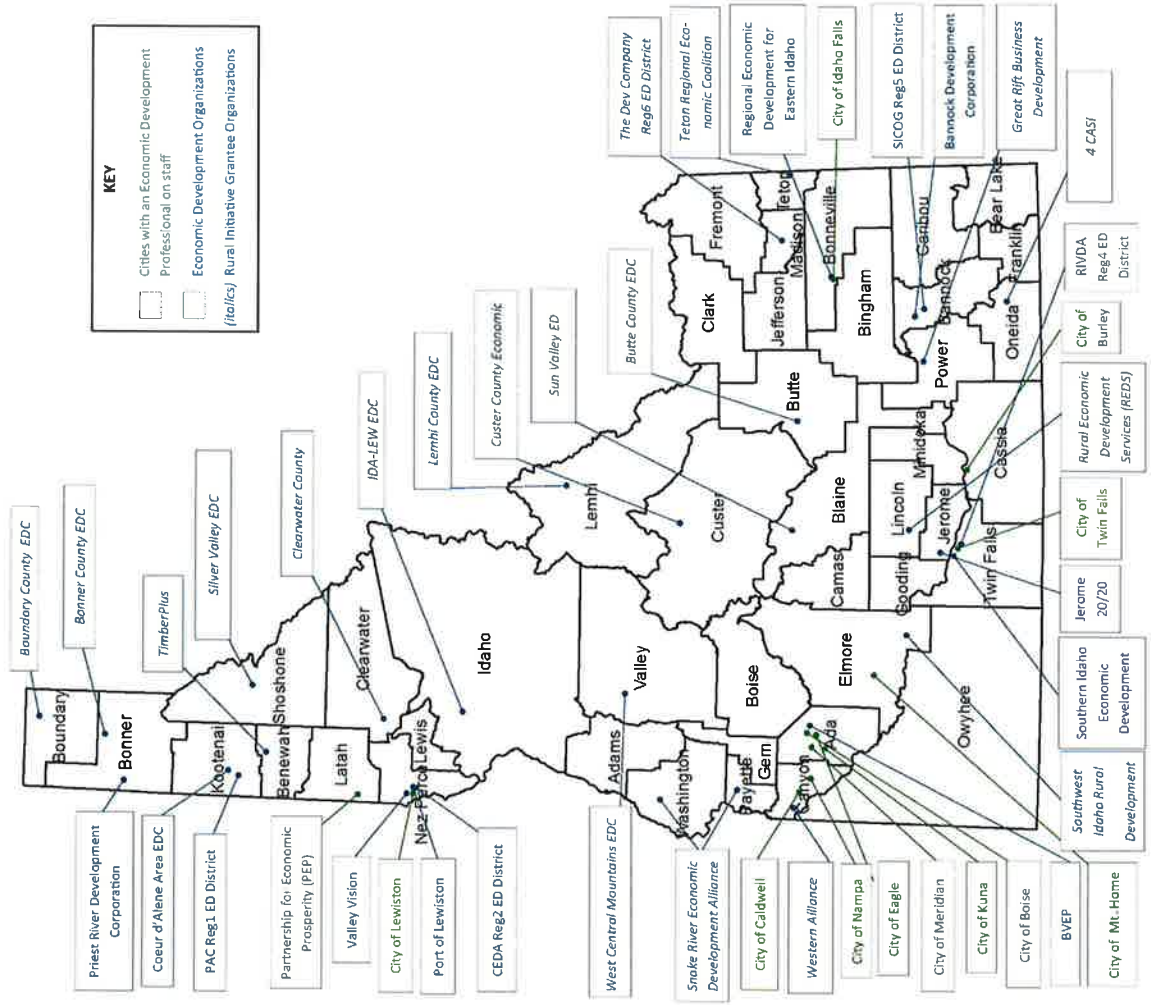
Core Values and Guiding Principles



Advance Governor Little's Economic Development Priorities

<p>Support Rural Idaho</p> <ul style="list-style-type: none"> • Rural infrastructure Grants <ul style="list-style-type: none"> • (\$8M/year + CARES) • Rural economic development network <ul style="list-style-type: none"> • Assist with strategic marketing • Business visits (approx. 70% of total visits) 	<p>Utilize Responsible Incentives</p> <ul style="list-style-type: none"> • Tax Reimbursement Incentive <ul style="list-style-type: none"> • 76 approved, 12,800 jobs, \$2.85B cap ex • Opportunity Fund • Business Advantage • Data Center Bill (2020) • Coordinate with local government incentives
<p>Promote Good Trade Policy</p> <ul style="list-style-type: none"> • Trade Missions – Mexico (virtual) • Trade shows and industry roundtables (virtual) • Trade Manager visits (3) – (virtual) • STEP Grants • Foreign Direct Investment inquiries 	<p>Support “Idaho Rebounds” Recommendations</p> <ul style="list-style-type: none"> • Rebuilding of employee & consumer confidence • Business stability and growth • Business promotion and attraction

Statewide Economic Development Partners

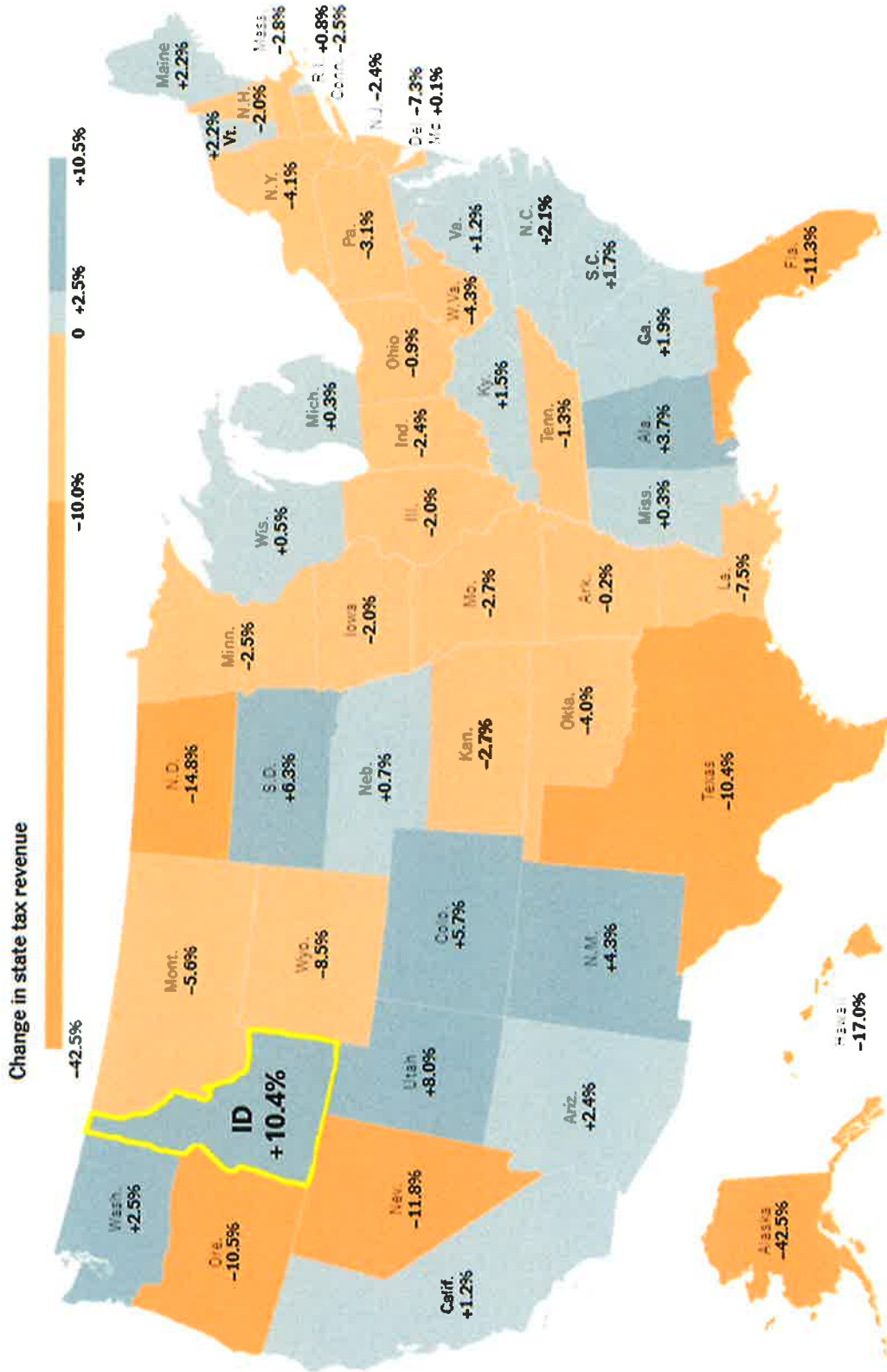


Idaho is Flying High

- 1st** in growth in travel \$\$ and jobs
- 1st** least regulated state in U.S
- 1st** lowest unemployment level (WSJ 1/28/2021)
- 3rd** in community well being
- 3rd** broadband Investment (+\$85 million)
- 4th** in the nation for job growth
- 4th** lowest energy costs
- 8th** most tax-friendly state



Idaho Top State for Revenue Growth



Source: Urban-Brookings Tax Policy Center

Changes in revenue during the “pandemic period,” April - December 2020, compared with the same period in 2019.



Growth Opportunities

Increased momentum for current and upcoming Idaho industries:

- Agriculture, food processing, timber and mining,
- Advanced manufacturing
- Tourism & Outdoor Recreation
- Technology, Innovation, and Best Practices
- Energy and nuclear industry
- Cybersecurity

Infrastructure:

- High speed internet & broadband options
- Capital funding sources
- Opportunity zones
- Surface and air transportation
- Data Centers
- Healthcare Industry

- Future industries?



BUILDING IDAHO'S FUTURE

"Building Idaho's Future" is Governor Brad Little's plan to invest Idaho's one-time surplus in critical infrastructure projects that will:

- Help develop a diverse workforce.
- Further our state economic rebound.
- Create a long-lasting benefit for all Idahoans



CATEGORY	BRIEF DESCRIPTION	TARGETED AMOUNT	
		ONE TIME	ONGOING
Tax Relief	<ul style="list-style-type: none"> • Leverage the one-time build up in the Tax Relief Fund for one-time tax relief (e.g., double grocery tax credit one time, increase circuit breaker for one year) • Leverage the ongoing portion of the Tax Relief Fund and excess ongoing revenue to ongoing tax relief (e.g., income tax reduction) • Cover the costs of tax conformity to support business liquidity 	(\$295 M)	(\$160 M)
Spending Cuts	<ul style="list-style-type: none"> • Reinvest the one-time reductions in agency spending in one-time projects with long-lasting value • Reductions came from holdback in FY20/21, agency reversions, and reimbursement offsets 	(\$390 M)	
Transportation	<ul style="list-style-type: none"> • Invest in state and local highway infrastructure projects through a 60-40 split <ul style="list-style-type: none"> ◦ Create ongoing source of funding to stimulate long-term investment offset by ongoing tax reductions (above) • Make targeted investments in safe routes to schools, rail infrastructure, and community airports. 	\$126 M	\$80 M
Water and Agriculture	<ul style="list-style-type: none"> • Support major water infrastructure projects prioritized by the Idaho Water Resources Board. • Make investments in agricultural best management practices, and support drinking water and wastewater projects in rural communities. 	\$60 M	



BUILDING IDAHO'S FUTURE



	TARGETED AMOUNT	
	ONE TIME	ONGOING
Broadband & Economic Development <ul style="list-style-type: none"> • Bring broadband access to rural unserved or underserved households. • Invest in outdoor recreation projects that can catalyze tourism in rural communities. • Provide resources for business attraction and expansion. • Provide grants to small businesses and Idahoans who have been disproportionately impacted by the COVID-19 pandemic 	\$54 M	
Education <ul style="list-style-type: none"> • Make investments to enhance literacy for students who had unique education circumstances during COVID-19. • Spark new opportunities for Career Technical Education linked to the workforce needs of local communities. • Invest in central support for higher education to provide cost savings over time. 	\$30 M	
Public Safety <ul style="list-style-type: none"> • Make investments to defend our state police and provide them with the tools and resources they need to be effective in keeping our communities safe. 	\$1 M	
Capital Construction <ul style="list-style-type: none"> • Catch up on the backlog of deferred maintenance in state buildings. • Invest in capital projects that are needed. • Enhance the Youth Challenge dormitories. • Upgrade the University of Idaho's Parma Research and Extension Center, and invest in College of Eastern Idaho's Future Tech facility. • Create more in-state prison capacity and upgrade the juvenile correction facilities. 	\$66 M	
Additional Prioritized Projects <ul style="list-style-type: none"> • Ensure other priorities identified during session can be prioritized 	\$30 M	
	(\$318 M)	(\$80 M)



WHAT IS BROADBAND?

In its simplest form, the term broadband refers to high-speed internet access that is always on and faster than dial-up. However, as demand for faster and faster internet speeds has increased, so too has the speed definition of broadband. Currently, the Federal Communications Commission defines broadband as an internet connection with a download speed of 25 Megabits per second and an upload speed of 3 Megabits per second. Fixed, terrestrial broadband is high-speed data transmission to homes and businesses that is designed for permanent, stationary use and includes fiber, cable, DSL, and fixed wireless technologies.

Mobile Broadband

High-speed internet designed for use on-the-go with seamless connectivity from one location to another.

Fixed Wireless

Broadband service provided between towers and customers using radio waves. Primarily found in rural areas.

Satellite

Broadband service provided by satellites orbiting the earth. Satellite service can be impacted by line-of-sight and latency.

Cable

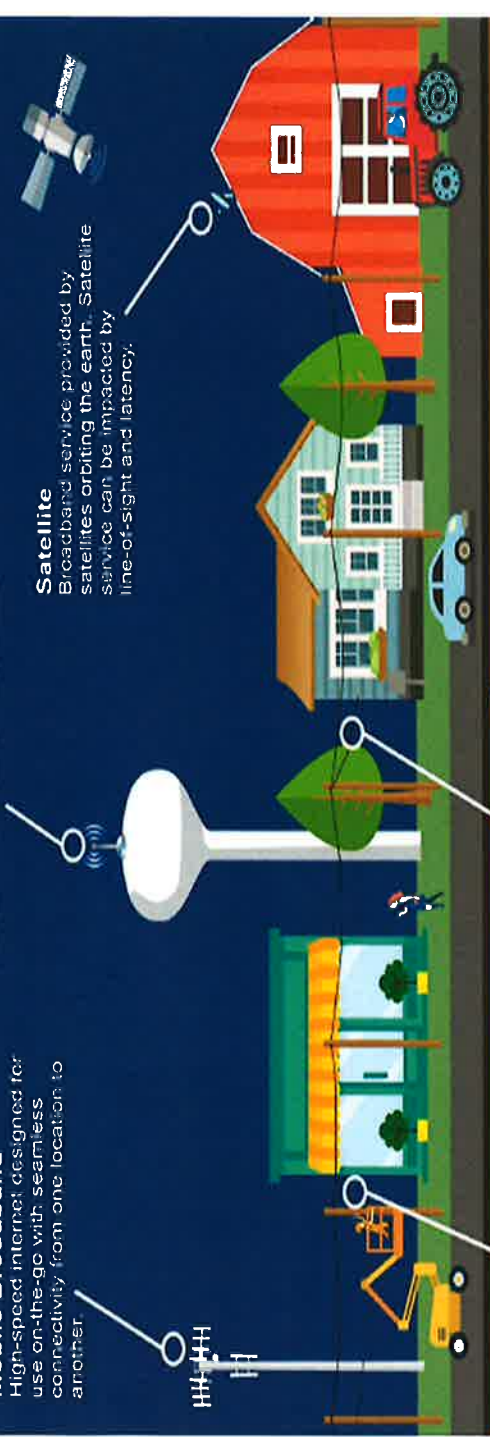
Internet provided by a cable television company over a mixed coaxial and fiber-optic network.

DSL

Digital-subscriber line (DSL) is broadband delivered over a mixed network of fiber and traditional copper phone lines.

Fiber

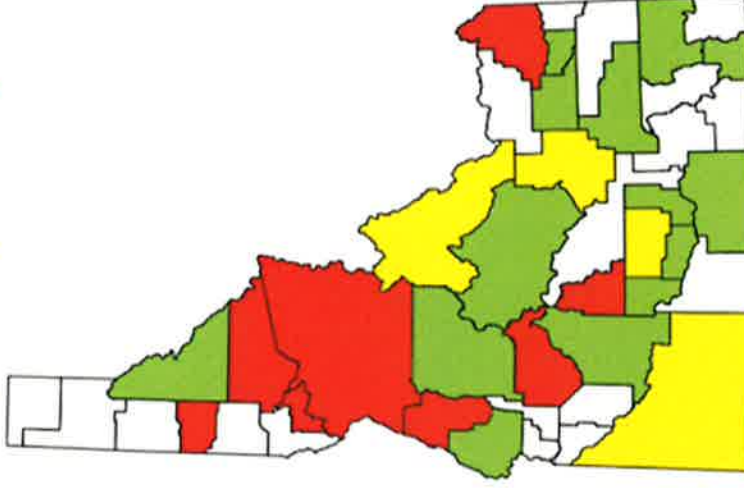
Fiber-optic service uses transparent glass fibers to carry data across distances. Some customers can receive fiber connections directly to their home, but fiber is also used to transport data from communities to the



Idaho Broadband

Percent of Housing Units with Fixed Terrestrial Broadband by Idaho County

□ More than 75% ■ 50 - 75% of all houses ■ 25 - 50% of all houses ■ 0 - 25% of all houses



Effective: 2019

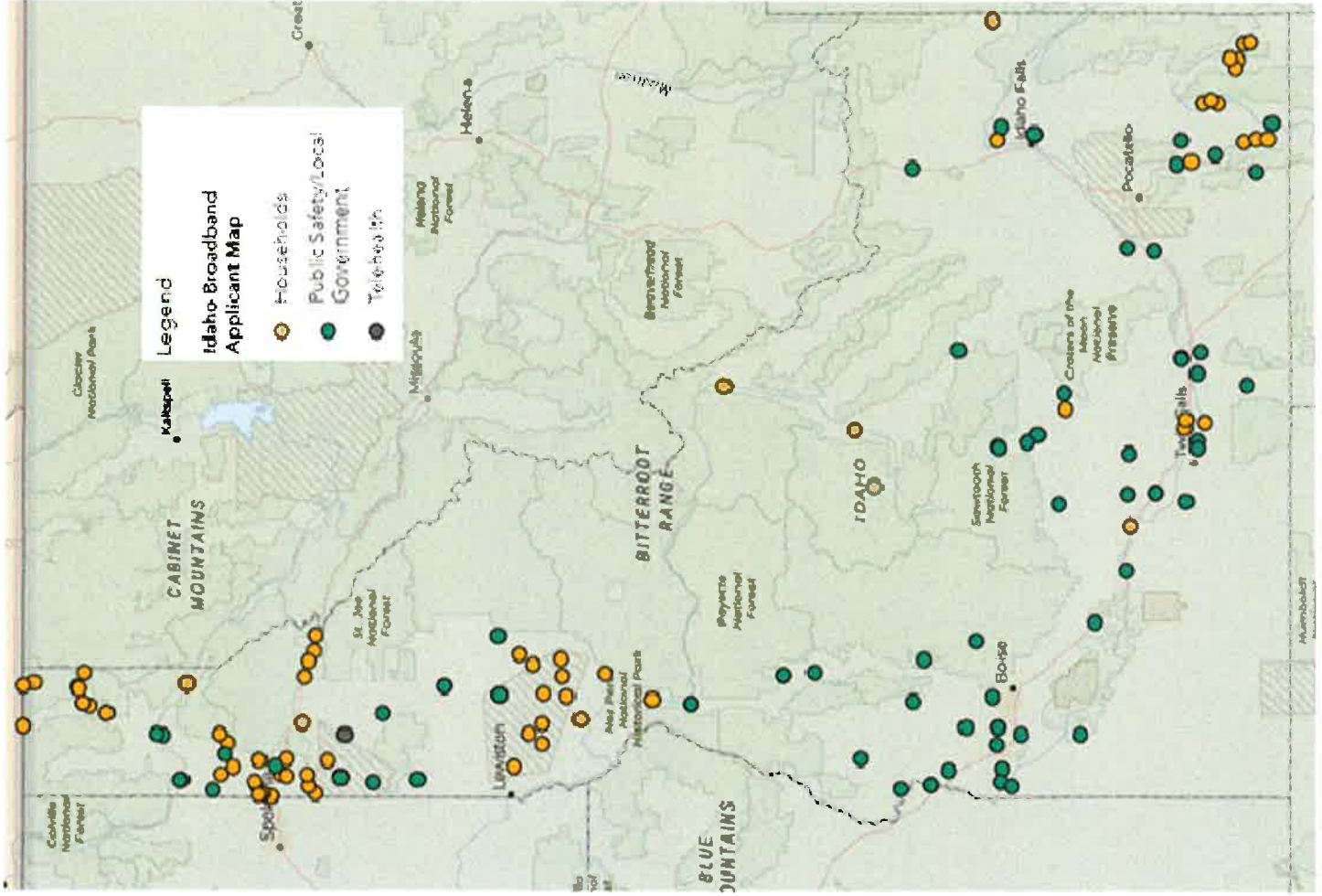
Broadband Task Force Recommendations: November 2019

- Call for Action #1: Update State Broadband Plan
- Call for Action #2: Establish a State Broadband Office
- Call for Action #3: Consider State Funding Options
- Call for Action #4: Formalize Dig Once and Hang Once Policies
- Call for Action #5: Engage on Near Term Projects

Idaho Broadband

Success of the CARES Idaho Broadband Grant 2020

- \$38.3M paid out by December 30th deadline
- 83 grants funded
- 30,000 “rural” households now have broadband connectivity in 125 communities
- 90 new public Wi-Fi Hotspots including libraries to ensure citizens have access to broadband for distance learning, telehealth, and remote work



Idaho Broadband

Building Idaho's Future: Broadband

- Proposed \$35,000,000 for additional Broadband support:
 - 90% towards "Rural" Households
 - 4% towards Strategic Planning and Federal grant matching
 - 3% towards Telehealth
 - 3% towards Statewide Mapping and Administration
- Over \$160,000,000 in shovel ready projects
- Uses of funds will be subject to the proposed new Broadband Advisory Board's review and approval, and any updated Idaho Broadband Plan.

Region 1: \$44,000,000

Region 2: \$60,000,000

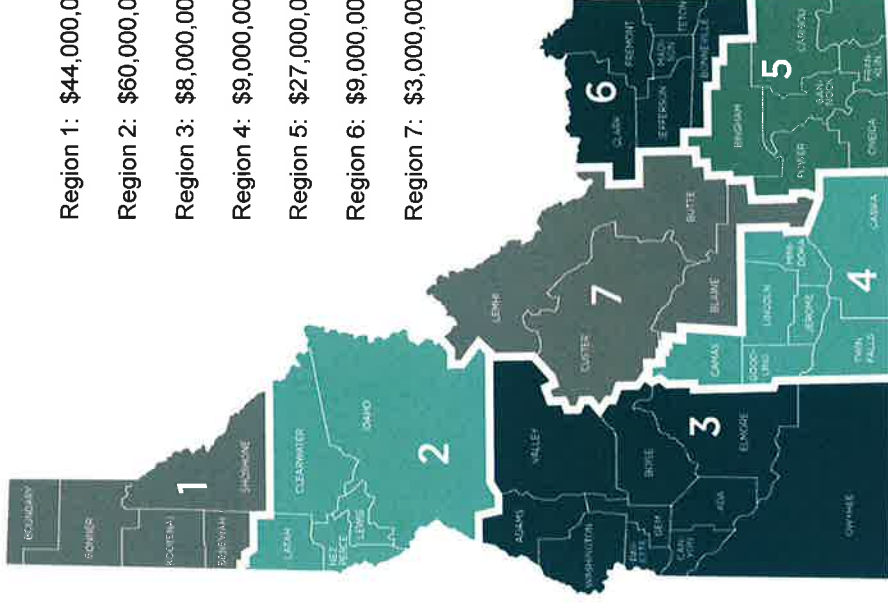
Region 3: \$8,000,000

Region 4: \$9,000,000

Region 5: \$27,000,000

Region 6: \$9,000,000

Region 7: \$3,000,000



Effective: 12/2020

Let's Connect



commerce.idaho.gov



Idaho Commerce



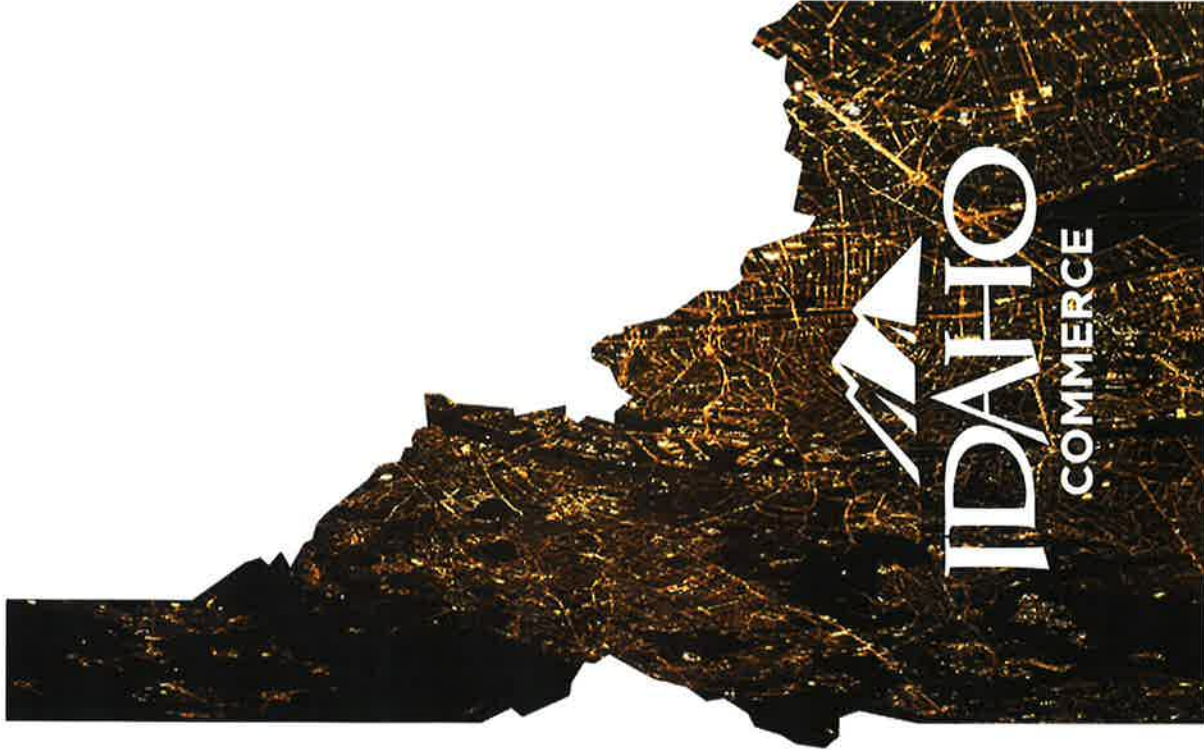
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Idaho Commerce



Visit Idaho



APPENDIX

Nuclear Industry in Idaho



ADVANCED REACTOR TYPES

- Molten salt reactor
- Small modular reactor
- Microreactor
- Lead-cooled reactor
- Sodium-cooled reactor
- Very high temperature reactor
- Gas-cooled reactor

UNIQUE SUPPLY CHAIN NEEDS

- Special materials that can operate at elevated temperatures and in corrosive environments
- Fabrication and welding procedures for these materials
- Qualified workforce in working with these materials

Advanced Reactor Types	Maturity	Market	Deployment in Idaho
Molten salt reactor	Late 2020s ¹		
Light water reactor	Mid 2020s		
Microreactor	Mid 2020s		
Lead-cooled fast reactor			
Sodium-cooled fast reactor	Mid 2020s ²		
Very high temperature reactor	Late 2020s		
Gas-cooled fast reactor			

1. Idaho is currently in the process of securing a license for a molten salt reactor. 2. Idaho is currently in the process of securing a license for a sodium-cooled fast reactor.

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APPENDIX

Idaho Innovation and Growth

- Education/ Research: Idaho National Laboratory, Idaho Universities, EMSI
- Cybersecurity/AI: All Businesses, FBI, INL, Universities/ Colleges, Government Entities
- Broadband/ISPs: Sparklight, Syringa, Ziplly, Ting, TDS, Small ISPs, Ericsson/Cradlepoint, 5G
- Mining: Simplot, Itafos, Midas Gold, Hecla, Jervois, Bayer
- Forest Products: Idaho Forest Group, Boise Cascade, Clearwater Paper Corporation
- Distribution/Supply Chain: Amazon, FedEx, WOW Logistics
- Start ups: Entrepreneurs and Investors

APPENDIX

Idaho Innovation and Growth

- Ag Tech: Simplot, McCain, Syngenta, New Cold, Agri Beef, Lamb Weston, Scoular, CAFÉ
- Adv. Mfg.: Micron, Schweitzer (SEL), Outdoor and Ammo, Daher, Premier Technology, AMET
- Food Tech: Chobani, Glanbia, Albertsons, Clifbar, Spirits, Incubators
- Fin Tech: Clearwater Analytics, T-Sheets, Kount, ICCU
- Energy: CAES, Small and Micro Reactors, Solar, Wind, Bio-mass, Hydro
- Ecommerce, Consumer and B2B: Cybersecurity, Cradle Point, Rural Broadband, Truckstop, Amazon