



2021

IDAHO COMMERCE

ANNUAL REPORT

PHOTO COURTESY: VISIT IDAHO



TABLE OF CONTENTS

- 1** FROM THE DIRECTOR
- 2** OUR MISSION
- 2** BUSINESS RETENTION
AND EXPANSION
- 5** TESTED IN IDAHO
- 5** BROADBAND
- 7** INTERNATIONAL TRADE
- 9** IDAHO GLOBAL
ENTREPRENEURIAL MISSION
- 10** BUSINESS ATTRACTION
- 13** COMMUNITY DEVELOPMENT
- 15** IDAHO TOURISM

FROM THE DIRECTOR

Last year was a year of tremendous growth for the State of Idaho thanks to the tenacity, resiliency and determination of Idaho businesses and communities, large and small.

At Idaho Commerce, our mission is to support Idaho businesses and communities to grow our state's economy. Our mission would not be possible without the businesses that call Idaho home. From the jobs, wages and opportunities that Idaho businesses brought or developed in Idaho, Idaho did not just rebound following the pandemic, it thrived.

With help from Idaho businesses, the Governors leadership and the Idaho Commerce team's support, Idaho has led other states this year in economic prosperity, job and wage growth, population and trade growth and visitation growth.

Throughout the pandemic, the Idaho Commerce team's mantra has been "we are open for business," and our proverbial doors have remained open to those needing assistance. Even through the most unpredictable and turbulent points of the year, the Idaho Commerce team has provided guidance to Idaho businesses and communities when it was needed most — a quality which has contributed to the unprecedented growth during the past year.

For the Business Attraction team, this year was particularly successful, with 16 — the highest of any other year — Idaho Tax Reimbursement Incentives (TRI) issued for expansion and relocation projects in Idaho. These projects add to a total of 80 TRI awards since the program's inception and are expected to create over 13,000 jobs across the state and over \$6.3 billion in new wages for Idaho residents.

One of the most significant recoveries of the year was in the third-largest industry in Idaho — travel and tourism. During FY2021, Idaho's travel and tourism industry achieved the highest revenue-generating year on record for the 2% lodging tax collections at almost \$15 million. This is an increase of almost 13% over FY2020 and almost 9% over FY2019.

The Idaho Commerce Office of Broadband also saw major successes this year with 83 completed broadband projects serving underserved and unserved communities. These projects, totaling \$38 million, impacted more than 100 communities and 30,000 rural households, providing much-needed broadband to households, students and businesses across Idaho.

The Idaho Commerce International team planned and executed 15 webinars for Idaho companies, virtual Idaho pavilions at international trade shows, a virtual aerospace industry mission to Australia and the first Virtual Governor's Trade Mission to Mexico. Idaho companies that participated in these events experienced success with export sales totaling over \$14 million.

These are just a few of the major successes Idaho Commerce experienced this year. Our team has adapted to provide Idaho businesses, communities and citizens with guidance throughout the pandemic. We are grateful to support our multitude of stakeholders and proud to further this success in FY2022.



TOM KEALEY

Director, Idaho Commerce



LEARN MORE ABOUT IDAHO COMMERCE AT [COMMERCE.IDAHO.GOV](https://commerce.idaho.gov)

OUR MISSION

As the lead economic development agency for the State of Idaho, the mission of Idaho 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

The vision of Idaho Commerce is to support 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 to ensure we are proactively anticipating the needs of businesses.



Promote Good
Trade Policy



Market &
Promote Idaho



Supporting
Rural Idaho



Supporting
Existing
Businesses



Strategic
Business
Attraction



Advance Technology
Ecosystem &
Increase Broadband
Connectivity

BUSINESS RETENTION AND EXPANSION

The Business Retention and Expansion (BRE) team's primary role is supporting the growth and expansion of more than 57,000 businesses across Idaho. The BRE team works closely with Idaho companies to identify opportunities and barriers to growth so they can provide personalized service and customized solutions. The BRE team helps businesses leverage incentives, take advantage of state and federal programs, understand financing options, explore federal contracting and get connected to the other resources and tools for success.

As communities that are healthy and resilient are optimal environments for businesses to start, grow and expand, the BRE team's responsibilities include making downtowns vibrant by encouraging participation in the Main Street America Program. Additionally, the team assists

cities and counties in finding funding for needed infrastructure projects by managing the Gem Grant program. The BRE team expands its geographic reach and amplifies its economic development efforts through oversight of the Rural Economic Development Professionals grant program, partnering with 18 experts located in Idaho's seven regions.

The BRE team educates investors and other stakeholders about Opportunity Zones and Private Activity Bonds to encourage projects that will produce large capital expenditures and other positive impacts. The team continues to help companies and communities navigate COVID-19 and workforce, housing and childcare challenges. The team is actively following congressional legislation to understand how Idaho can benefit from the American Rescue Plan Act, the CHIPs for America Act and other bills in progress or being proposed.



BRE TEAM MEMBER JENNY HEMLY PARTICIPATES IN A SITE TOUR.

IDAHO GEM GRANT

Local governments of rural communities (populations of 10,000 or less) can leverage Idaho Gem Grant funding to plan and implement projects that create and retain jobs. Eligible grant activities include water and sewer infrastructure for a new business, remediation of slum and blight conditions blocking business development and matching funds for the creation of assets with a high certainty of aiding future economic development efforts. Many rural governments use the Idaho Gem Grant for architect and engineering studies, construction contracts, equipment or fiber infrastructure. The state-funded grant program is a component of the Idaho Rural Initiative.

IDAHO GEM GRANT SUCCESS STORY

This year, the Portia Club — a nonprofit organization that contributes to the community of Payette through

FY2021 GEM GRANT AWARDS



APPLICANT	AWARD	MATCH	TOTAL	PROJECT
Burley	\$50,000	\$89,300	\$139,000	Sewer line supporting business expansion
Driggs	\$50,000	\$50,000	\$100,000	Driggs water line construction
Driggs	\$8,000	\$3,000	\$11,000	Support for city business incubator
Elk River	\$42,200	\$80,267	\$122,467	Elk River fire hall
Idaho County	\$24,000	\$126,000	\$150,000	Idaho to Adams County fiber linkage feasibility study
Malad	\$38,050	\$125,988	\$164,038	Control system repairs for city water pumps.
Mountain Home	\$27,750	\$10,318	\$38,068	Sewer line supporting business expansion
New Meadows	\$15,000	\$21,500	\$36,500	Weiser River trail engineering and feasibility
Orofino	\$25,000	\$25,000	\$50,000	Expansion Orofino Business Center
Owyhee County	\$50,000	\$664,600	\$714,600	Owyhee County rehabilitation project
Rexburg	\$50,000	\$185,000	\$235,000	Support for EDA funded consulting services
Stanley	\$20,000	\$8,411	\$28,411	Stanley housing feasibility and potable water test
TOTALS	\$400,000	\$1,389,384	\$1,789,384	

building restoration and preservation — and the city of Payette, put the finishing touches on the 121 North Main Startup Space, a project that would not have been possible without the Idaho Gem Grant.

In 2018, the City of Payette was awarded \$50,000 from the Idaho Gem Grant, with a match of \$26,075, to fix up the building on 121 North Main Street, a historical building that had not been used in more than 30 years. The project was focused on remodeling the building so it could be used as an incubator for new startups and to revitalize Payette's downtown area.

However, the project turned out to require more work and time than previously thought. The building required a new roof, repairs to its foundation and interior improvements to electrical, fire safety and accessibility. This work, combined with the pandemic, labor shortages and building material price increases, meant the project had its fair share of obstacles, but ultimately, all those were overcome with the project finalized this year.

Even though the project was just finalized, the impacts from it have already been felt across Payette. Not only has the building already improved the look of Payette's downtown, but it also has begun accepting applications for tenants for the startup space. The startup space will accept applications from two aspiring entrepreneurs to start their business, leading to an influx of jobs and opportunity in the community.

“We would not have been able to finish the project without the Gem Grant, or really even get started,” Kerrie Taylor, Friends of the Portia Club Board Member said. “The grant just gave us a lifeline and made an impact.”

RURAL ECONOMIC DEVELOPMENT PROFESSIONALS PROGRAM

Rural communities can tap into the Idaho Rural Economic Development program (Rural ED Pro) to support the advancement of local economic development capacity. The program awards grants, used in tandem with local funding, to hire full-time economic development professionals. These experts are managed by a local board of directors and work on a variety of initiatives including business retention, expansion, attraction, export assistance and entrepreneurial development. This state-funded grant is a component of the Idaho Rural Initiative.



PHOTO COURTESY: KIT KAMO

BRE TEAM MEMBER JENNY HEMLY, AND SNAKE RIVER ECONOMIC DEVELOPMENT DIRECTOR, KIT KAMO RECEIVE A TOUR AT AFC.



FY2021 RURAL ED PRO AWARDS

APPLICANT	RURAL ED PRO	POPULATION	AWARD
Benewah County	Alex Barta	9,241	\$30,000
Blaine County	Harry Griffith	22,802	\$24,250
Bonner County	Andrea Marcoccio	45,339	\$17,500
Boundary County	Dennis Weed	12,175	\$30,000
Butte County	Monica Hampton	2,588	\$27,500
Clearwater County	Chris St. Germaine	8,762	\$30,000
Custer County	Jolie Turek	4,259	\$30,000
Fruitland	Kit Kamo	33,836	\$22,750
Glenns Ferry	Christy Accord	2,272	\$20,000
Greenleaf	Tina Wilson	56,877	\$30,000
Ida-Lew Economic Development	Gavin Lewis	20,413	\$30,000
Lemhi County	Tammy Stringham	7,987	\$28,000
Oneida County	Kathy Ray	31,561	\$30,000
Power County	Kristen Jensen	10,750	\$30,000
Shoshone County	Coleen Rosson	12,789	\$30,000
Teton County	Brian McDermott	11,929	\$30,000
Twin Falls County	Ervina Covcic	53,235	\$30,000
Valley County	Andrew Mentzer	12,653	\$30,000
TOTAL			\$500,000

RURAL ED PRO SUCCESS STORY

AFC Finishing Systems is a family-owned and operated company that produces industrial paint spray booths, heated air make-up systems, industrial ovens, lighting fixtures and dust collection and recently finalized a project, years in the making, to relocate to Idaho.

AFC was established in 1967 in California, and after becoming a significant player in the air filter and spray booth markets, began looking for a state that would better suit its growing needs.

In 2012, AFC would begin its Idaho relocation in a meeting with Snake River Economic Development Alliance Executive Director Kit Kamo. Kamo is a member of the Idaho Commerce Rural Economic Development Professional Program created to support economic development projects in rural communities.

Kamo and the Idaho Commerce team — which also approved a TRI award for the company — would spend over six years assisting the company's relocation to Weiser. Despite setbacks that stalled progress, Kamo and her team would persevere and, in the spring of 2021, AFC officially moved out of California and is now fully operational in their new facility.

Since the project was finalized, it's already had significant impacts on the community of Weiser, creating more than 40 additional jobs. Furthermore, the local school district has met with the company to create opportunities for students to gain technical skills. This project represents the tenacity, commitment and true dedication that makes up the Rural Ed Pro program.

“Although this project had its share of ups and downs, it was certainly well worth the wait for a great project to be completed,” Kamo said. “This project is a huge win for our region and Washington County.”

Carl Hagan, owner and president of AFC, said the business-friendly environment that Idaho offers, coupled with the assistance he received from Idaho Commerce and Kamo, were among the top reasons they decided to plant their roots in Idaho.

“It is exciting to move to Treasure Valley and Weiser specifically because we will be providing secure manufacturing jobs with competitive pay and opportunities for advancement, which will give the local youth the option to stay close to home and their family instead of feeling the need to move to a different area to find work,” Hagan said.

TESTED IN IDAHO

Tested in Idaho aims to highlight Idaho's outdoor-recreation companies that develop their products in the great Idaho outdoors — from the compelling tales of passion and grit behind their businesses to the stories of creativity and innovation that gets their products to adventurous consumers all over the world.

NRS

Like most outdoor recreation companies, 2021 was a turbulent year for top worldwide producer of outdoor gear and equipment, NRS.

The beginning of the year looked bleak. Like most companies, the events of early 2020 brought business to a grinding halt, resulting in a decrease in sales and production of products. However, NRS was determined to keep employees on staff and relationships strong with its vendors.

Now, things are very different for NRS. With more and more individuals participating in outdoor recreation, demand for the company's products has skyrocketed, making it difficult to keep up with the demand.

Although the year has turned out to be positive for NRS. Director of Marketing Mark Deming says NRS learned a lot over the past year.

"I would say one of the most important things we learned is when times get tough, double down on the values that got you here," Deming said.

Deming said the future continues to look bright for this Idaho-based company with new products set to launch early next year. The company will even celebrate its 50th anniversary, further showcasing how this established company has adapted, changed and grown.

PHOTO COURTESY: NRS



TESTED IN IDAHO COMPANY, NRS IS HEADQUARTERED OUT OF MOSCOW, IDAHO.

BROADBAND

Formed in 2020, the Idaho Commerce Office of Broadband's mission is to improve broadband access across the state. Stable, reliable broadband infrastructure positions Idaho communities to attract business and enhance quality of life for their citizens.

In 2020, the Coronavirus Financial Advisory Committee approved \$50 million to the Idaho Commerce Office of Broadband for broadband infrastructure in support of improving distance learning, remote work and access to telehealth, ensuring more communities in Idaho will be provided better internet service.

The office awarded more than \$38 million to fund 83 projects across Idaho, improving broadband infrastructure and service for Idaho households, businesses, libraries, healthcare clinics, hospital facilities, public safety organizations and local governments in 147 communities across the state. Utilizing the Broadband Grant Program, the awarded projects were completed by December 15, 2020, and provided internet access to over 30,000 households.

The office also worked with communities and internet service providers to form broadband plans, identify opportunities for investment and participated in the Digital Divide and Telehealth Task Force.

FY2021 BROADBAND GRANT PROGRAM



\$38M

Funds
Awarded

30K

Households
Served

147

Communities
Impacted

\$31M

Household
Awards

\$7.3M

Public Safety
and Government
Awards

**VISIT OUR WEBSITE TO SEE A COMPLETE LIST OF
FY2021 BROADBAND PROJECTS
[COMMERCE.IDAHO.GOV/BROADBAND](https://commerce.idaho.gov/broadband)**



IDAHO BROADBAND ADVISORY BOARD

In FY2021, the Idaho Broadband Advisory Board was created by the Idaho Legislature through House Bill 127. The board consists of three members from the Idaho House of Representatives, three from the Idaho Senate and three from the private sector, appointed by the Governor.

The board will create a statewide plan for structuring, prioritizing and dispersing grants from the Idaho Broadband Grant Program, which will provide financial assistance for broadband infrastructure in Idaho to address access to economic development, public safety, telehealth and education.

FY2021 MEMBERS

**REPRESENTATIVE JOHN VANDER WOUDE
(CHAIR)**

SENATOR CARL CRABTREE (VICE CHAIR)

REPRESENTATIVE BARBARA EHARDT

REPRESENTATIVE MEGAN BLANKSMA

SENATOR DAVID NELSON

SENATOR DOUG RICKS

MARGIE WATSON - JC WATSON & COMPANY

ANDY EMERSON - MH SOLUTIONS

MITCH WATKINS - WATKINS DISTRIBUTING

BROADBAND SUCCESS STORY

Under the Idaho Broadband Grant Program, Idaho Commerce funded a total of 83 broadband projects across Idaho in 2020.

North Central Idaho (Region 2) was awarded seven projects totaling \$6.6 million, providing broadband connectivity to households, public safety and government organizations. Of these seven projects, six were awarded for household service expansion, providing broadband connectivity to 5,753 households. One of these projects, impacting more than 1,000 households was in Lewis County.

With the help of AirBridge Broadband, 16 wireless sites were improved through this grant in underserved communities throughout Lewis County including Winchester, Craigmont, Reubens, Nezperce and Kamiah.

Previously, in Lewis County, only 22% of residents had access to high-speed internet. Additionally, it was noted in the Broadband Task Force Report that Lewis County was one of the most underserved areas of Idaho.

Lewis County's internet shortcomings had become even more apparent in light of COVID-19. According to city officials, residents did not have access to broadband capabilities that enabled telework and distance learning.

The project improved the safety and security of those in Lewis County, and according to David McKnight, co-owner of AirBridge Broadband, the impact from the completed project is already being felt.

McKnight said the grant has not just improved the broadband in the county, but also opened a wide array

of opportunities for the community. From farmers being able to better monitor their crops to students and adults being able to learn and work remotely, the impacts of the project are vast and continue to grow.

"The grant has really given new life and real benefit to this community," McKnight said. "It is hard to completely quantify that."

Lewis County Commissioner Justin McLeod also said the grant has positively impacted his community.

"I appreciate the opportunity Commerce presented to Lewis County," McLeod said. "We made years of progress in a few months."

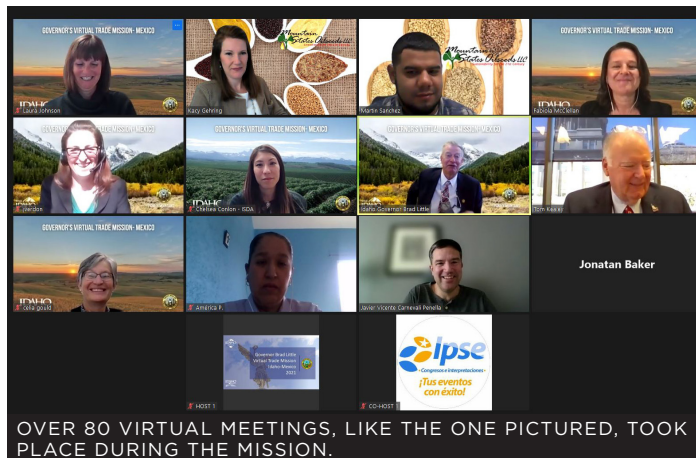
PHOTO COURTESY: AIRBRIDGE BROADBAND



SITES, LIKE THE ONE PICTURED, WERE IMPROVED TO PROVIDE INTERNET ACCESS TO OVER 1,000 HOUSEHOLDS IN LEWIS COUNTY.

INTERNATIONAL TRADE

In FY2021, the International team planned and executed 15 webinars for Idaho companies, four Idaho pavilions at international trade shows, one Virtual Governor's Trade Mission to Mexico and one virtual aerospace industry mission to Australia. The team also participated, with the assistance of the three state trade offices, in four foreign direct investment promotion events to promote Idaho as a place for business expansions. Idaho companies that participated in these activities achieved actual export sales totaling over \$14 million.



GOVERNOR'S VIRTUAL TRADE MISSION TO MEXICO

Idaho Commerce and the Idaho State Department of Agriculture organized and executed the first-ever Governor's Virtual Trade Mission to Mexico in April 2021. The 13 Idaho companies that participated in this mission attended 85 virtual meetings with direct buyers, distributors, retailers, agents and more, from Mexico. Thus far, the economic outcome of the trade mission is projected at nearly \$5 million in export sales.

GOVERNOR'S TRADE MISSION SUCCESS STORY

Thirteen Idaho companies participated in the Virtual Governor's Trade Mission to Mexico in April of 2021.

Since then, a majority of participating companies have already seen the benefits of the event, from increased sales, meetings with Mexico buyers and various other opportunities.

Ramper Innovations is seeing possibly the biggest impacts from the event. Ramper produces TISABAS, a compact motorized conveyor system that moves cargo in and out of the belly of aircraft to save airlines much-needed time and money.

Tim Fulton, CEO of Ramper Innovations, said initially he entered into the mission in hopes to beta test his product but received so much more than that.

Not only are two beta tests currently underway as a result of the mission, but Ramper has also sold 40 units to a Mexico distributor. Furthermore, the company had promising meetings with other airlines, like Spirit Airlines, and has also received much-needed notoriety that Fulton said will help his company further its success.

"We really felt the Commerce team believed in what we were doing," Fulton said. "They put time and energy into finding a customer base on potential distributors, other potential partners and finding the right people. That was very valuable and getting the Governor and the Idaho Commerce Director on several of the calls we had really helped establish ourselves and be taken seriously."



FY2021 STEP AWARD OVERVIEW

The State of Idaho received \$207,945 for the State Trade Expansion Program (STEP) Grant program year September 2020 – September 2021. The STEP program is funded in part through a grant with the U.S. Small Business Administration (SBA) and is administered by Idaho Commerce.

This is the eighth award Idaho has received to make funds available to qualifying Idaho companies for international marketing campaigns to export their products. Program objectives are to increase the number of small businesses that export, increase the value of exports and increase the number of small businesses exploring significant new trade opportunities. Participants must meet SBA eligibility requirements to participate in STEP-funded programs.



FY2021 STEP GRANT AWARDS

GRANT TYPE	APPLICANT	AWARD	RECIPIENT CITY
FAA	Aithre	\$6,836	Ketchum
FAA	Databot	\$5,000	Boise
FAA	Ground Force Manufacturing	\$9,000	Post Falls
FAA	Nuusol	\$9,000	Caldwell
FAA	Rogue Seed	\$6,141	Caldwell
FAA	Telic International	\$5,023	Garden City
OGP	1000 Springs	\$9,000	Twin Falls
OGP	Air Vise	\$9,000	Boise
OGP	Awning Tracker	\$9,000	Post Falls
OGP	Blue Line Judo	\$9,000	Idaho Falls
OGP	Cast LLC	\$9,000	Driggs
OGP	Christensen Genetics LLC	\$9,000	Weston
OGP	Databot	\$9,000	Boise
OGP	Hamilton Manufacturing	\$9,000	Twin Falls
OGP	In the Ditch	\$9,000	Mountain Home
OGP	Kochava	\$9,000	Sandpoint
OGP	Mountain State Oilseeds	\$9,000	American Falls

*STEP FAA AND OGP GRANTS FOR FEDERAL FISCAL YEAR, SEPTEMBER 2020 – SEPTEMBER 2021

In STEP year seven (September 30, 2018 – September 29, 2020), participating companies reported \$12,556,575 in sales from the \$600,000 funding awards for a program ROI of 20.9 to 1 for the grant period.

STEP Financial Assistance Awards (FAA) are available to qualifying companies seeking support in various international trade activities. Approved project areas include foreign market sales trips, governors or foreign trade mission and international or domestic trade shows.

The STEP Idaho Online Global Program (OGP) is available to qualifying companies seeking support with international websites and e-commerce. The program was designed with flexibility to meet the specific international marketing needs of Idaho companies.

STEP SUCCESS STORY

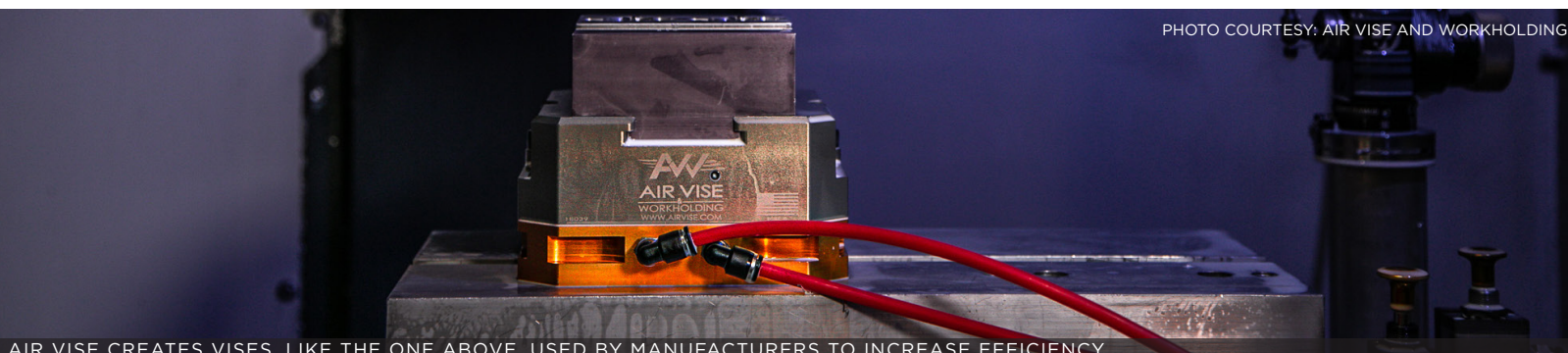
Air Vise and Workholding, a company specializing in vises that help manufacturers save time and increase efficiency, received a \$9,000 grant from the State Trade Expansion Program (STEP).

Air Vise, based out of Boise, received the Online Global Program Award from Idaho Commerce, which is designed to help small companies grow their exports. Specifically, Air Vise used the funds to grow their online presence to attract international customers looking for manufacturing solutions.

Austin Jones, business manager at Air Vise, said since starting the grant program, they have already seen their exports increase substantially with exports to France, Finland, Australia, Canada and Israel.

“Without the help from Idaho Commerce, we would not have been able to grow our exports in the way we have done this past year,” Jones said. “The STEP Grant allowed us to take the risk of investing our time and money into pursuing an international market. Whereas before we only had the resources to focus on sales here in the U.S.”

PHOTO COURTESY: AIR VISE AND WORKHOLDING



AIR VISE CREATES VISES, LIKE THE ONE ABOVE, USED BY MANUFACTURERS TO INCREASE EFFICIENCY.



PHOTO COURTESY: HEMPITECTURE

HEMPITECTURE'S FLAGSHIP PRODUCT UTILIZES HEMP STALKS TO CREATE FIBER BATT INSULATION.

IDAHO GLOBAL ENTREPRENEURIAL MISSION

The IGEM-Commerce (IGEM) program is a state funded program, receiving \$1 million annually for commercialization grants.

IGEM's investment in emerging technologies is an exciting economic development tool. By connecting Idaho businesses with university research capabilities, IGEM is helping to develop new products, grow companies and attract incremental investments, while elevating research capacities at Idaho's public research universities.

In FY2021, IGEM-Commerce grant funding was fully utilized by industry-university partnerships in commercialization projects, enabling IGEM to further invest in Idaho research and economic development initiatives.

The IGEM-Commerce program completed its ninth year, funding 40 projects, and investing almost \$9 million in university and industry research partnerships.

FY2021 IGEM-COMMERCE GRANT AWARDS

UNIVERSITY PARTNER	AWARD	PROJECT
Boise State University	\$291,770	PEF Potato Processing Advantage
University of Idaho	\$206,624	Testing New Manufacturing Methods of Natural Fiber Insulation
Boise State University	\$196,324	Multi-Printer Compatible Nanoparticle Inks for Advanced Manufacturing Methodologies
Boise State University	\$130,970	Novel Metallic and Nanomaterial Coatings and Application Process for Optical Fibers and Sensors
TOTAL	\$825,688	

FY2021 IGEM-COMMERCE SUPPLEMENTAL GRANT AWARDS

UNIVERSITY PARTNER	AWARD	PROJECT
University of Idaho	\$96,530	Development of an Advanced Genomic Selection Tool for the U.S. Sheep Industry
Boise State University	\$49,011	Development of a Scalable Manufacturing Process of On-Chip Color Tunable Lasers
Boise State University	\$49,011	Novel Movement and Inspection System for Drones
TOTAL	\$194,552	

IGEM SUCCESS STORY

Hempitecture is a plant-based building materials company headquartered in Ketchum, and recently announced an expansion in the Magic Valley. Hempitecture was founded by Mattie Mead who, when studying architecture and environmental sciences in college, wondered to himself why the two could not be more closely aligned.

"You know, we impose this built world on the natural world, yet there is this correlation," Mead said. "I was looking at different countries and what they are doing to create and manufacture the next generation of building materials, and ultimately, I learned about industrial hemp as a rapidly renewable feedstock."

Hempitecture utilizes the husk of hemp stalks to produce building products such as Hempcrete and HempWool. Hempcrete is an insulating building material that is derived from limestone and the woody core fiber of industrial hemp stalks and HempWool is a fiber batt insulation product created using industrial hemp stalks.

Hempitecture partnered with the University of Idaho, which was awarded an IGEM-Commerce grant for \$206,624 to conduct research on the development of their natural fiber insulation, HempWool. The team will conduct tests on its ability to insulate, its fire resistancy and its thermal conductivity.



PHOTO COURTESY: HEMPITECTURE

The future looks bright for the company with a new 20,000 square-foot manufacturing facility set to be developed in Jerome County, with goals to domesticate their supply chain and new hires set to be onboarded in the coming months.

“We are really thrilled to have our business located in Idaho and we are feeling very appreciative of the resources that were afforded here in Idaho, especially now as we are working through the IGEN program with the University of Idaho,” Mead said. “There is a huge amount of opportunity afforded here in the state and it is really a pleasure to be located here to grow our business.”



IGEM COUNCIL

The IGEN Council is a 12-member council appointed by the Governor to preside over the IGEN program. The council thoroughly vets IGEN grant proposals to mitigate risk and maximize the return on investment.

The IGEN Council's fiscal stewardship and strategic direction advance IGEN's overall intended goal of economic prosperity through investments in technological advancements and innovation.

FY2021 MEMBERS

DR. DAVID HILL (CHAIR) - STATE BOARD OF EDUCATION

BILL GILBERT (VICE CHAIR) - THE CAPROCK GROUP

VON HANSEN - KONEXUS

RICK STOTT - SUPERIOR FARMS

DAMOND WATKINS - STELVIO STRATEGIES

DR. MARIANNE WALCK - IDAHO NATIONAL LABORATORY

DR. CHRISTOPHER NOMURA - UNIVERSITY OF IDAHO

DR. HAROLD BLACKMAN - BOISE STATE UNIVERSITY

DR. DONNA LYBECKER - IDAHO STATE UNIVERSITY

SENATOR KELLY ANTHON

REPRESENTATIVE PAUL AMADOR

TOM KEALEY - DIRECTOR, IDAHO COMMERCE

BUSINESS ATTRACTION

The Business Attraction team, in coordination with local economic development partners, serves as the state's single point of contact for businesses looking to expand or relocate to Idaho. Focusing on superior customer service, the team's time is spread between professional site selectors and businesses acting on their own behalf as they evaluate location options and finalize their expansion or relocation plans.

The team offers expertise in Idaho's business environment, serves as the lead for Idaho's incentives and are customer representatives and subject matter experts for the Idaho Tax Reimbursement Incentive (TRI). Additionally, the team supports prospective businesses, existing businesses and Idaho's economic development community by providing in-depth data, analysis and strategic advice using the department's suite of research tools. Expansion and recruitment of businesses into the state brings new jobs and diversifies Idaho's GDP.



IDAHO TAX REIMBURSEMENT INCENTIVE (TRI)

The Idaho Reimbursement Incentive (TRI) took effect July 1, 2014, as a tool to encourage businesses to grow or expand in Idaho with jobs that pay above the average county wage. This post-performance incentive offers a maximum refundable tax credit of up to 30% on income, payroll and sales taxes for up to 15 years.

FY2021 TRI OVERVIEW

The Tax Reimbursement Incentive's seventh year has proven to be another successful year in supporting the growth of Idaho communities. During FY2021, 16 projects were approved. Of these, 11 were in rural areas and five were in urban areas. Similarly, 12 of the approved projects were to companies new to Idaho, and four were to existing Idaho businesses. When completed, these projects' investments are projected to create over 2,400

TRI ELIGIBILITY REQUIREMENTS

A company must complete an in-depth application and meet the following requirements to qualify for the TRI:



New jobs must be **full-time** (30 hours or more) and pay an average wage per week **equal to or greater than the average county wage**.



Demonstrate a **meaningful community match**.



Prove that the incentive is a critical factor in the company's decision to **expand in Idaho**.



Provide **significant economic impact** to the community and Idaho.



Create **20 new jobs in rural communities** (population of 25,000 or less) or **50 in urban areas**.

jobs across the state with estimated pay of almost \$1.3 billion in new wages for Idaho residents. With an average project wage of over \$56,000 these new jobs are above the statewide average annual wage.

From FY2015 through FY2021, the Idaho Economic Advisory Council has approved 80 TRI projects. When complete, these projects' investments are estimated to create over 13,000 jobs across the state and pay over \$6 billion in new wages for Idaho residents. With an average project wage of over \$50,000, these new jobs are above the statewide average annual wage.

Of the 80 approved projects, 42 have been approved for businesses new to Idaho, while 38 have been to existing Idaho businesses. Furthermore, the awards have assisted both rural and urban communities, with 45 going to rural communities and 35 to urban communities.

The incentive supports companies across industries including, advanced manufacturing, aerospace, food production, back office and shared services, chemical processing, transportation and warehousing and distribution.

TRI SUCCESS STORY

AZEK, a company creating low-maintenance outdoor living products that replace wood, was approved for a TRI award for its expansion to Boise.

AZEK will set up shop in a 350,000 square-foot production facility in Boise, bringing over 140 jobs to the surrounding community. The project is expected to have a capital expenditure of over \$107 million.

The facility is part of AZEK's \$230 million capacity expansion program. Construction on the facility has begun and the company has started to hire key members of the team, who will be located in Boise. The facilities' next big milestone will be the formal ribbon-cutting ceremony — expected in the spring of 2022 — commemorating the official kickoff of AZEK's operations in Boise.

According to Amanda Cimaglia, vice president at AZEK, AZEK chose Boise for its expansion for a multitude of reasons.

“Outside of driving expansive growth for the company, AZEK chose Boise as its newest location, in part, because of the city’s skilled workforce, but also because the city matched its values in putting sustainability at the heart of its operations,” Cimaglia said.



COMMERCIAL BUILDING PRODUCT MANUFACTURER, AZEK, IS EXPECTED TO CREATE 146 NEW JOBS IN ITS EXPANSION TO IDAHO.

**HEAR FROM OTHER COMPANIES THAT
CHOSE TO DO BUSINESS IN IDAHO AT
[COMMERCE.IDAHO.GOV/SILVERSHOVEL](https://commerce.idaho.gov/silvershovel)**



FY2021 APPROVED TRI AWARDS

PROJECT/COMPANY NAME	EST. JOB CREATION	EST. AVERAGE WAGES	EST. TOTAL PROJECT WAGES	EST. STATE TAX REVENUE	EST. CAPITAL INVESTMENT
Artisan Labs	170	\$43,634	\$38,256,655	\$17,979,758	\$1,870,000
AZEK	146	\$50,479	\$67,675,000	\$16,275,219	\$107,600,000
JST Manufacturing	50	\$58,138	\$19,076,340	\$3,416,855	\$4,700,000
Lamb Weston	70	\$48,371	\$47,400,000	\$15,800,000	\$90,000,000
MetalQuest Unlimited	25	\$45,400	\$9,810,000	\$1,696,533	\$3,750,000
Project Aces	32	\$50,606	\$16,629,550	\$2,945,589	\$2,500,000
Project Custom	139	\$44,709	\$62,145,510	\$9,457,143	\$115,400,000
Project Diecast	25	\$52,680	\$6,585,000	\$1,413,490	\$1,500,000
Project Family	49	\$54,458	\$20,800,000	\$4,700,000	\$9,000,000
Project Flare	534	\$60,854	\$292,740,000	\$220,637,678	\$180,000,000
Project Golden Eagle	341	\$48,163	\$158,925,500	\$110,203,701	\$352,500,000
Project Jester	29	\$115,000	\$30,015,000	\$4,064,670	\$1,000,000
Project Mineral	164	\$88,940	\$190,200,000	\$59,600,000	\$140,000,000
Project Print 2	136	\$52,463	\$60,952,000	\$15,557,550	\$9,500,000
Project Rubber	39	\$48,205	\$14,060,000	\$5,408,935	\$14,750,000
True West Beef	520	\$41,554	\$240,014,366	\$149,331,553	\$195,000,000
TOTAL/AVERAGE	2,469	\$56,478	\$1,275,284,921	\$638,488,674	\$1,229,070,000

ECONOMIC ADVISORY COUNCIL

The Economic Advisory Council was established under Idaho Code 67-4704. The council's main purpose is to advise the Governor and Idaho Commerce on goals and objectives that further economic development within the state.

In addition to making Tax Reimbursement Incentive recommendations, the council makes recommendations to the Governor on applications for Community Development Block Grant and the Rural Community Investment Fund.

In addition, council members advise their regions on economic development opportunities and represent their interests to state government. The council consists of eight members, appointed by the Governor, with one member appointed from each of the state's seven economic development regions and one member appointed at-large. Members serve three-year terms and can be reappointed.

FY2021 MEMBERS

STEVE MEYER - REGION I, PARTNER, PARKWOOD BUSINESS PROPERTIES

PAUL KIMMELL - REGION II, REGIONAL BUSINESS MANAGER, AVISTA CORPORATION

MIKE REYNOLDSON - REGION III, VICE PRESIDENT GOVERNMENTAL AFFAIRS, BLUE CROSS OF IDAHO

JOHN CRANER (CHAIR) - REGION IV, BUSINESS BANKER, ZIONS BANK

RICK PHILLIPS - REGION V, PUBLIC AFFAIRS MANAGER, SIMPLOT AGRIBUSINESS GROUP

DONNA O'KELLY - REGION VI, DIRECTOR, ANALYTICAL RESEARCH LABORATORIES, IDAHO NATIONAL LABORATORY

DAVE WILSON - REGION VII, OWNER, WILSON CONSTRUCTION

SANDY PATANO - AT-LARGE, OWNER, SANDY PATANO CONSULTING



COMMUNITY DEVELOPMENT

The Community Development team provides financial and technical assistance via Community Development Block Grant (CDBG) funds to Idaho's cities and counties for construction and rehabilitation of public infrastructure and facilities necessary to support lower income communities, job creation, business expansion and a sense of community.

Development (HUD) provides states with Community Development Block Grant (CDBG) funds to use for projects that benefit low and moderate-income people, help prevent or eliminate slum and blight conditions and address damage caused by natural disasters. Eligible grant activities include public facilities construction and infrastructure improvements, economic development projects, senior and community centers and public parks.

COMMUNITY DEVELOPMENT BLOCK GRANT

Each year, the U.S. Department of Housing and Urban



FY2021 CDBG AWARDS

APPLICANT	AWARD	PROJECT
Blaine	\$207,203	Senior center mold mitigation and HVAC upgrade project
Bliss	\$500,000	Water system improvement project
Custer County	\$175,000	New fire station project
Dayton	\$500,000	Drinking water improvement project
Driggs	\$500,000	Infrastructure for affordable housing project
Filer	\$225,000	Midway Street Park project
Gooding County	\$500,000	Fire trucks procurement
Grand View	\$150,000	Community center project
Homedale	\$225,000	Riverside Park new restroom project
Jerome	\$225,000	Tennis court renovation project
Juliaetta	\$500,000	Wastewater treatment plant upgrade
Kamiah	\$280,000	Pump station upgrades
Lincoln	\$225,000	Youth center project
McCall	\$225,000	Senior center access and safety improvements project
McCammon	\$500,000	New fire station project
Moscow	\$225,000	Mountain View and Indian Hills Park improvements project
Newdale	\$225,000	City park rehab project
Nezperce	\$500,000	Wastewater storage lagoon facility project
Preston	\$500,000	Wastewater treatment plant and collection lines project
Priest River	\$500,000	Water tank replacement project
Rexburg	\$225,000	Nature park restroom and ADA project
Salmon	\$500,000	Water system improvement project
St. Maries	\$225,000	Cormana Community Center renovation project
Twin Falls County	\$130,000	Fire truck procurement
Valley County	\$150,000	Yellow Pine water transmission line replacement and repairs
Wallace	\$225,000	Swimming pool renovation project
TOTAL	\$8,342,203	

* Federal fiscal year

CDBG SUCCESS STORY

Gooding County EMS was awarded \$500,000 from the Community Development Block Grant (CDBG) Program to build an over 5,000 square-foot, 4-bay EMS building with offices, sleeping quarters, a kitchen, a meeting room and more.

According to Barbara Porter, Gooding County EMS Director, the new facility, finalized in February of this year, was desperately needed to provide sufficient space to allow for training and certification for the Gooding County EMS team. It also provides better response times to outlying communities.

“Receiving this grant is a blessing to all of us, it gives EMS a stable, more proficient location with better access to all communities,” Porter said. “Gooding EMS would like to thank all of those involved in this process and for granting us this wonderful gift.”

PHOTO COURTESY: GOODING COUNTY EMS



THE GOODING COUNTY EMS STATION, PICTURED, RECEIVED SEVERAL IMPROVEMENTS.

RURAL COMMUNITY INVESTMENT FUNDS

Rural Community Investment Funds (RCIF) help rural communities improve public infrastructure in support of economic expansion via job creation. Eligible activities include construction or expansion of infrastructure (such as water, wastewater or road systems) or new construction and renovation of an industrial building owned by an eligible grantee that will be leased to a business.

FY2021 RCIF AWARD

The City of Orofino was awarded \$335,000 for the construction of a new 4,800 square foot manufacturing facility in the existing city-owned business park. The new facility allowed one of the city's business park tenants, SJX Jet Boats, to add 12 new jobs. The city provided \$100,000 in cash match for building construction and SJX Jet Boats added new equipment to allow for the expansion. The new facility is also a marketable asset for the community, attracting future businesses to the Orofino Business Park.

RCIF SUCCESS STORY

In 2019, the City of Orofino learned that local company, SJX Jet Boats, was slowly becoming more and more frustrated with the Orofino Business Center space where they conducted their operations. Their operations were spread out across town, across miles of narrow gravel roads, making it difficult to continue operations in Orofino.

As soon as these frustrations were heard, the city and the Clearwater County Economic Development Director, Chris St. Germaine, got to work to retain SJX. In May of 2019, the City of Orofino was awarded the RCIF grant to expand the Orofino Business Center, constructing a 4,800 square-foot manufacturing space adjacent to the business center on city-owned property, and remodel the existing business center space to improve the space for SJX Jet Boats.

The project was recently completed and was funded in part by the RCIF grant, the Idaho Gem Grant, the City of Orofino and with an investment from SJX Jet Boats. The new facility not only retains SJX in Orofino, allowing the company to add 12 new jobs, but also provides marketable assets for the community for future businesses.

“The retention of SJX Jets Boats is a big deal in Orofino and the state,” Germaine said. “The project will add manufacturing sector jobs in the local economy and dollars into the local economy which benefits our community as a whole. The state programs recognize the value of smaller rural businesses and job retention efforts.”

Curt Decicio, administrator at SJX Jet Boats said the assistance that Idaho Commerce and Clearwater County provided was instrumental in continuing their growth in Idaho.

“The city and Chris St. Germaine at Clearwater County went to bat for us,” Decicio said. “This expansion not only retained the jobs that were here when the process started but has also allowed us to add more full-time positions to date, and we are still hiring. The grant has ensured that SJX Jet Boats, Inc. will remain in Orofino for some time to come.”



SJX JET BOAT'S NEW FACILITY.

IDAHO TOURISM

In FY2021, Idaho's third-largest industry, travel and tourism, achieved the highest revenue-generating year on record for 2% lodging tax collections at \$14,811,691. This is an increase of nearly 13% year-over-year. This growth is mirrored in Visit Idaho's online consumer channels with visitidaho.org's unique website users up 153%, online travel guide impressions up 74% and YouTube subscribers up 41% this fiscal year.

Tourism had an immense role in Idaho's economic recovery. In FY2019, pre-pandemic, collections were \$13,119,104. Although COVID-19 brought collection dollars down in 2020, this fiscal year Idaho trended well above FY2019 numbers. For FY2021, February collections were up 47%, March was up 3%, April was up 49%, May was up nearly 13% and June was up 45% over the same months in FY2019.

TOURISM SPOTLIGHT

To say the community of McCall was busy this last year is an understatement. Initially, the city had anticipated a drop in overall travel and lodging tax revenue, however, instead, it found itself up 6% in lodging tax collections, a result of the massive amount of travelers the city saw over the summer.

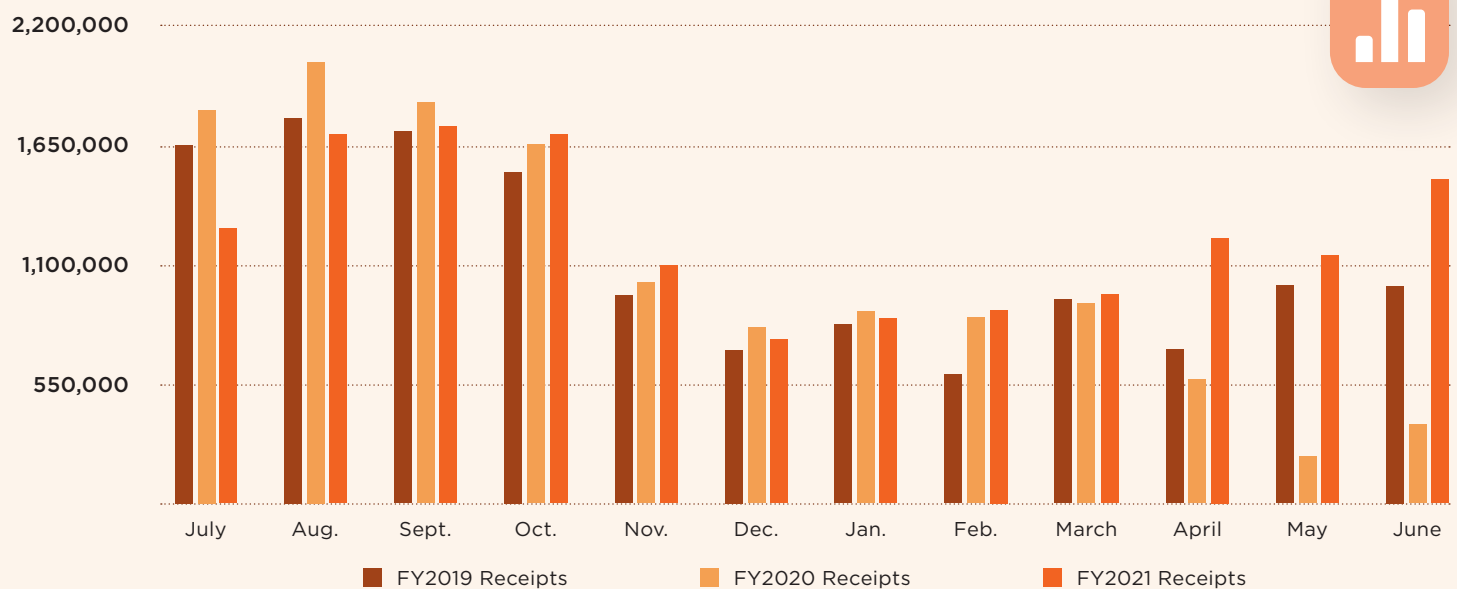
At the forefront of this success was McCall's messaging campaign "Protect Your Mountain Playground." The campaign, initially born out of the COVID-19 pandemic, provided much-needed centralized public information for McCall and other surrounding communities like Yellow Pine, Donnelly, Cascade and more.



Messaging for the campaign covered an array of topics, from health and safety messaging to physically distanced recreation ideas. The campaign featured a website and centralized information source that could be shared across industries and messaging was discussed and agreed upon from a consensus among chambers, local government, local business and health care members.

Over the course of 12 months, the "Protect Your Mountain Playground" initiative conducted five messaging campaigns, creating wide-reaching economic benefits and impacts across the state.

Monthly Lodging Tax Collections



IDAHO REGIONAL TRAVEL AND CONVENTION GRANT

Using funds collected from Idaho's 2% lodging tax, the Idaho Travel Council distributes the Idaho Regional Travel and Convention Grant to nonprofit, incorporated organizations within the state's seven travel regions. Funds may also be given to multi-regional associations that promote lodging and restaurants, outfitters and guides, RV parks and campgrounds and ski areas. Preference is given to programs that focus on promoting overnight stays.

FY2021 IDAHO REGIONAL AND CONVENTION GRANTS



APPLICANT	AWARD	TRAVEL REGION
Coeur d'Alene Convention & Visitors Bureau	\$1,000,000	Region I
Greater Sandpoint Chamber of Commerce	\$234,000	Region I
North Idaho Tourism Alliance (NITA)	\$140,000	Region I
Post Falls Chamber of Commerce	\$90,000	Region I
Visit Lewis Clark Valley	\$143,000	Region II
Moscow Chamber of Commerce	\$121,676	Region II
North Central Idaho Travel Assoc. (NCITA)	\$70,000	Region II
Boise Metro Chamber of Commerce	\$1,220,492	Region III
Southwest Idaho Travel Assoc. (SWITA)	\$558,345	Region III
McCall Area Chamber of Commerce	\$366,502	Region III
Nampa Chamber of Commerce	\$140,080	Region III
Cascade Chamber of Commerce	\$71,334	Region III
Southern Idaho Tourism	\$451,731	Region IV
Pocatello Convention & Visitors Bureau	\$259,478	Region V
Southeast Idaho High Country Tourism	\$173,522	Region V
Bear Lake Convention & Visitors Bureau	\$49,000	Region V
Yellowstone Teton Territory (YTT)	\$700,127	Region VI
Idaho Falls Chamber of Commerce	\$447,900	Region VI
Teton Regional Economic Coalition	\$191,106	Region VI
Sun Valley Marketing Alliance Inc.	\$380,000	Region VII
Hailey Chamber of Commerce	\$131,645	Region VII
Stanley-Sawtooth Chamber of Commerce	\$113,000	Region VII
Lemhi County Economic Development Assoc. (LCEDA)	\$38,117	Region VII
Challis Chamber of Commerce	\$12,894	Region VII
Idaho Outfitters & Guides Assoc. (IOGA)	\$151,230	Multi-region
Idaho Ski Areas Assoc. (ISAA)	\$125,000	Multi-region
Idaho RV Campgrounds Assoc. (IRVCA)	\$89,545	Multi-region
Idaho Lodging & Restaurant Assoc. (ILRA)	\$57,975	Multi-region
TOTAL	\$7,527,699	

IDAHO REGIONAL AND CONVENTION GRANT SUCCESS STORY

Idaho Ski Areas Association (ISAA) is a non-profit organization representing Idaho's alpine summer and winter sports industry.

ISAA is a regular recipient of the Idaho Travel and Convention Grant, funded by the Idaho 2% lodging tax, to promote Idaho ski areas. The grant allows ISAA to promote summer and winter tourism of Idaho's mountain resorts where both in-state and out-of-state tourists can stay and experience a range of mountain-inspired recreational activities.

Recently, ISAA developed two new programs to increase tourism to Idaho's ski resorts. The Idaho Winter Passport Program introduces kids to skiing and snowboarding. This season alone, over 4,200 students participated. With the popularity of mountain biking surging, 11 of Idaho's 18 ski areas now offer lift-served mountain biking, offering ski areas the opportunity to generate revenue during summer months, introducing new audiences to the area.

According to ISAA president, Brad Wilson, the organization would be unable to retain professional marketing and PR partners without the Idaho Travel and Convention Grant funds.

"The grant application process is deliberate and diligent — a testament to the fact that Idaho Commerce is a careful steward of its funds," Wilson said. "Idaho Ski Areas Association appreciates the ongoing support and partnership from Idaho Commerce and, specifically Idaho Tourism."

PHOTO COURTESY: IDAHO SKI AREAS ASSOCIATION



THE IDAHO SKI AREAS ASSOCIATION RECEIVED THE IDAHO TRAVEL AND CONVENTION GRANT TO CONTINUE PROMOTING IDAHO SKI AREAS.

PHOTO COURTESY: IDAHO SKI AREAS ASSOCIATION



IDAHO TRAVEL COUNCIL



Idaho Travel Council is an eight-member council appointed by the Governor as prescribed in Idaho Code section 67-4712. The council meets across the state in January, March, May, July and October. The public is encouraged to attend these meetings to keep informed about the Tourism team's marketing program.

FY2021 MEMBERS

KAYOKO MAGNUS - REGION I,
COEUR D'ALENE RESORT

ARTHUR MCINTOSH - REGION II,
LINDSAY CREEK VINEYARDS

PAT MORANDI (VICE CHAIR) - REGION III,
ROARING SPRINGS WATER PARK AND WAHOZ
FAMILY FUN ZONE AND PINZ

SHAWN BARIGAR - REGION IV,
TWIN FALLS CHAMBER OF COMMERCE

JEFFERY GLISSENDORF - REGION V,
TOWNEPLACE SUITES BY MARRIOTT, POCA TELLO

LONNIE ALLEN - REGION VI,
THREE RIVERS RANCH FLY FISHING LODGE

MIKE FITZPATRICK (CHAIR) - REGION VII,
SUN VALLEY COMPANY

EARL SULLIVAN - AT-LARGE, TELAYA WINE CO.



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