



Five County
Association of Governments



Beaver

Garfield

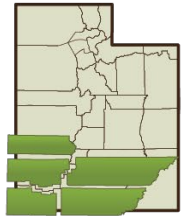
Iron

Kane

Washington

Five County Economic Development District
Disaster Recovery and Resiliency
Economic Development Plan

2022



Five County Association of Governments

BEAVER

GARFIELD

IRON

KANE

WASHINGTON

The mission of the Five County Association of Governments is to plan, prepare and partner with federal, state, and local governments to strengthen the role of Southwest Utah in the execution of state and federal programs at the local level. FCAOG was designated as an Economic Development District by the U.S. Economic Development Administration in April 1979. The Five County Economic Development District (FCEDD) encompasses the five counties of Beaver, Garfield, Iron, Kane, and Washington and serves thirty-eight distinct municipalities. The purpose of this designation was to promote a coordinated, region-wide approach to the economic development efforts of local governments in Southwest Utah. FCAOG is a uniquely positioned interlocal entity and is well suited to serve in its role as a convener, coordinator, and decision guiding organization.

Integral to our EDD charter is the development of a Comprehensive Economic Development Strategy (CEDS). This plan, the CEDS, and other long-range planning efforts are effective methods used to continuously support FCEDD's mission. Through the combined efforts of local governments, the Five County Economic Development District has experienced nearly half a century of vibrant, diverse, and rapid growth. In recent years however, this rapid growth has made the necessity for collaboration across disciplines even more apparent. Our organization believes the continued cooperation and successful implementation of strategic plans is the most successful way to foster a healthy relationship between growth and economic stability.

Acknowledgements

The Disaster Recovery and Resiliency Economic Development Plan (DRRE) was prepared and contributed to by

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Five County Association of Governments

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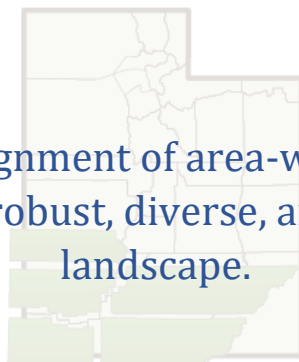
I. Introduction

Overview

The Disaster Recovery and Resiliency Economic Development Plan (DRRE) has been developed to respond to the economic downturn caused by the COVID-19 Pandemic, and to prepare for future economic shocks. FCEDD utilized a capacity building Coronavirus Aid Relief and Economic Security (CARES Act) grant through the U.S Economic Development Administration. This long-range plan details the impact of the COVID-19 Pandemic on the region, outlines the district's ongoing recovery, and seeks to provide principles for coordinated economic resiliency efforts in Southwest Utah. The overarching role of the FCEDD and vision for this plan is to support, inform, and coordinate with the region's communities, residents, businesses, and stakeholders. Main goals are to understand the impact of the pandemic on the region's economy, identify gaps and vulnerabilities through a SWOT analysis, and prepare for future economic shocks by acknowledging opportunities for resilient growth.

This plan aims to aid local leaders and economic development practitioners in building regional readiness by analyzing the economic impacts of COVID-19, and evaluating the areas in which the region was most vulnerable. Continued partnership between the Five County Economic Development District and the communities it serves will prove to be essential in applying this plan's principles towards another economic shock. Through planning and alignment of area-wide goals, Southwest Utah can develop a more robust, diverse, and resilient economic landscape.

Through planning and alignment of area-wide goals, Southwest Utah
can develop a more robust, diverse, and resilient economic
landscape.



Planning Process and Strategy Committee

The Five County Association of Governments strives to collaborate extensively with local leaders, key stakeholders, businesses, and the residents who call Southwest Utah home. Utilizing a community driven planning process was necessary to create applicable principles in preparation for future economic shocks during this period of widespread and varied distress. This planning process relies heavily on input from local leaders, community stakeholders, and regional partner organizations. The DRRE Strategy Committee was created with the goal of bringing a wide range of voices to the table, while securing representation from the diverse communities within the FCEDD.

Ensuring representation for the small businesses community and entrepreneurs was a high priority during the initial formation of the committee. Small businesses form the backbone of our economy at large and play an even more integral role in the rural areas which make up much of Southwest Utah. Input from chambers of commerce, organizations who represent and serve hundreds of small businesses in the region, proved vital towards understanding the concerns of area employers. Care was taken to factor in not only the voices of employers, but of rising entrepreneurs as well. Entrepreneurship hubs across the region serve to expand our economic capacity by fostering innovation and promoting forward-thinking enterprise. Coordination between FCAOG planning staff and economic development professionals from each county also provided regional updates and guidance on applicability of this plan across the board.

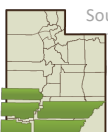
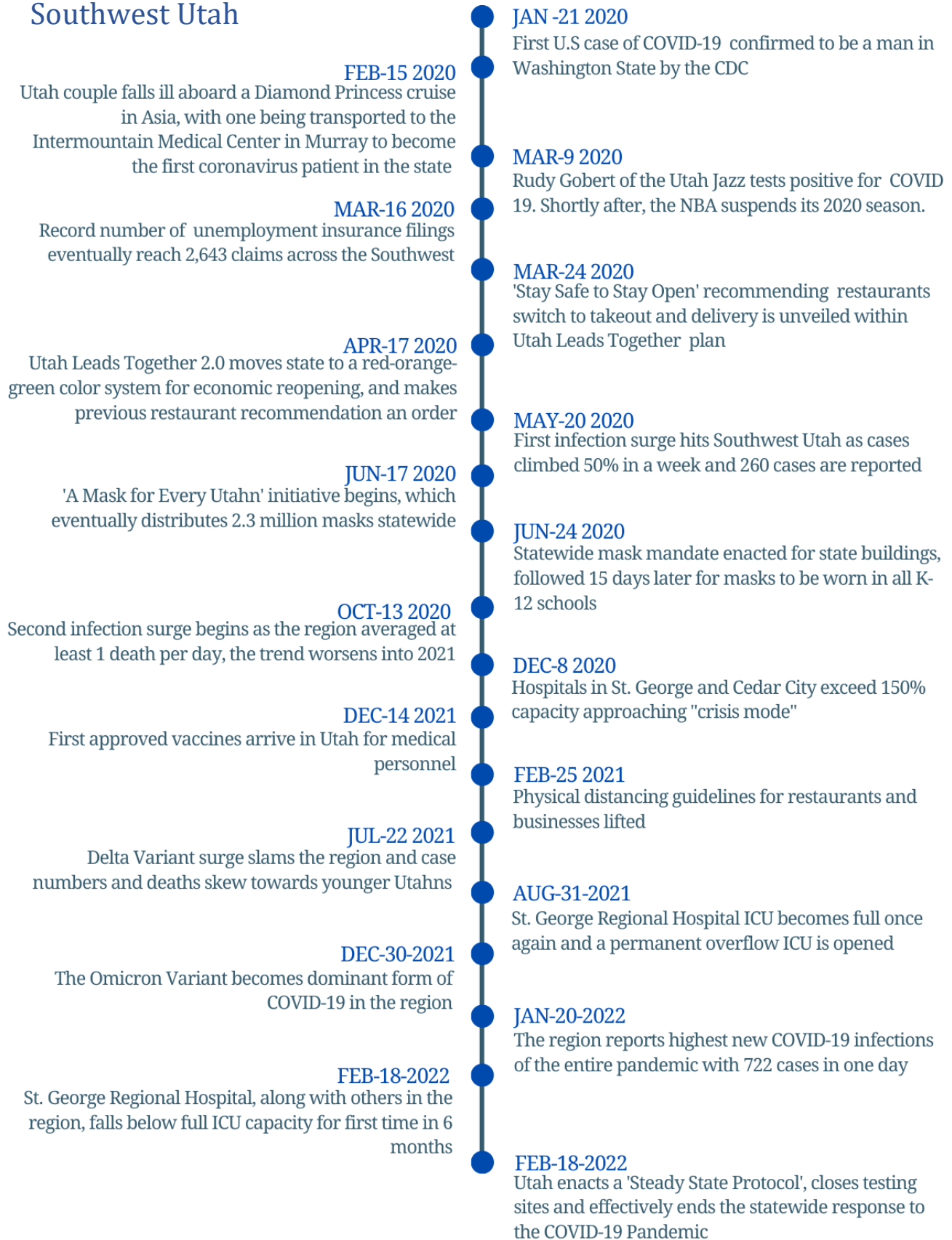
Data informing economic impact analyses and the SWOT framework was collected primarily from the Utah Department of Workforce Services; federal resources such as the Bureau of Economic Analysis, Bureau of Labor Statistics, and the U.S. Small Business Administration; as well as local sources such as the St. George Small Business Development Center, Business Resource Center at the Atwood Innovation Plaza, and municipal and tribal governments. This data was analyzed to provide context and a high-level overview of the numerous factors which make up Southwest Utah's economic landscape.

The FCEDD Comprehensive Economic Development Strategy was published in early 2020 amid the onset of the COVID-19 Pandemic. Due to its recent publication, the overall analysis within the CEDS remains relevant. This plan's principles are aligned with and build upon the CEDS goals to enhance entrepreneurship, innovation, infrastructure, quality of life, and overall economic vitality. The DRRE plan highlights observations made over the course of the pandemic and will enhance the CEDS planning process as its release coincides with the 2022 update. The DRRE Strategy Committee will also become the CEDS Advisory Committee in the effort to promote long-range resiliency and continuity.

The Five County Economic Development District contains communities as diverse as its landscape, making collaboration with local stakeholder's paramount. Implementation of this plan will rely on continued collaboration between leaders to align priorities with the future in mind.



The COVID-19 Pandemic in Southwest Utah



Source: Southwest Utah Department of Health, Utah Department of Workforce Services, [Coronavirus.utah.gov](https://coronavirus.utah.gov)



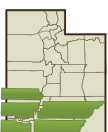
II. COVID-19 Economic Impacts

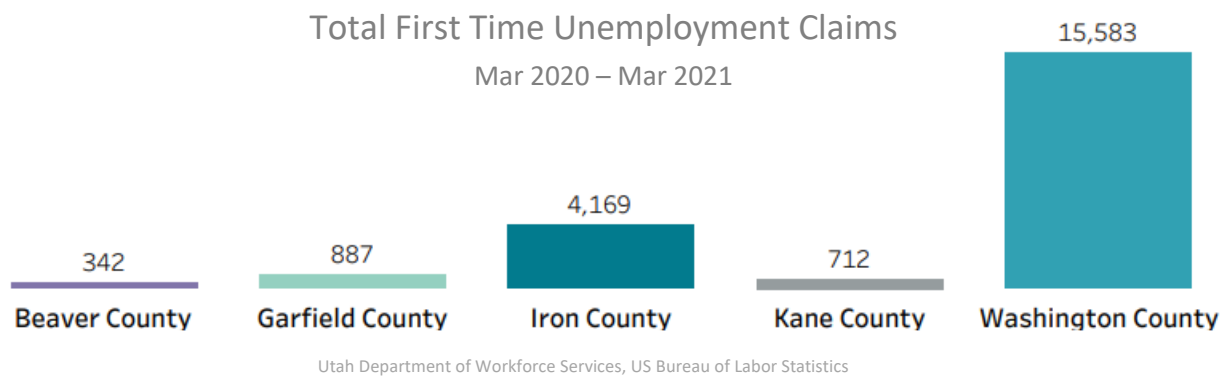
FCEDD Overview

The impact of COVID-19 to the Five County region's economy was swift, severe, and widespread. The pandemic event was unprecedented in its initial severity and ongoing broad effects. Counties with a large economic reliance on the Tourism and Hospitality supersector were impacted drastically. Despite the sharp initial downturn, the region has remained abreast of the State's recovery and has outpaced the United States overall. Southwest Utah exhibits moderate to high relative economic diversity across industries, as well as an overall supportive and business-friendly environment. These characteristics, coupled with the lack of prolonged commerce shutdowns early in the pandemic, contributed to the regions accelerated stabilization and return to relative normalcy. The majority of counties have fully recovered from the pandemic downturn and have entered a growth trajectory, while others are still recovering. The outlook is optimistic, as all counties within the region are showing strong progress and are actively improving.

Key Findings

- The FCEDD saw significant employment losses from late March through June 2020
- Employment losses had largely stabilized by July 2020 as the region adjusted to the initial shock
- The region's economic performance is impressive, returning to pre-pandemic unemployment levels in each of the five counties by spring 2021
- The District has shown overall employment gains over the two year pandemic period
- Overall low unemployment has become a double-edged sword leading to an extremely tight labor market, a trend that has continued into 2022

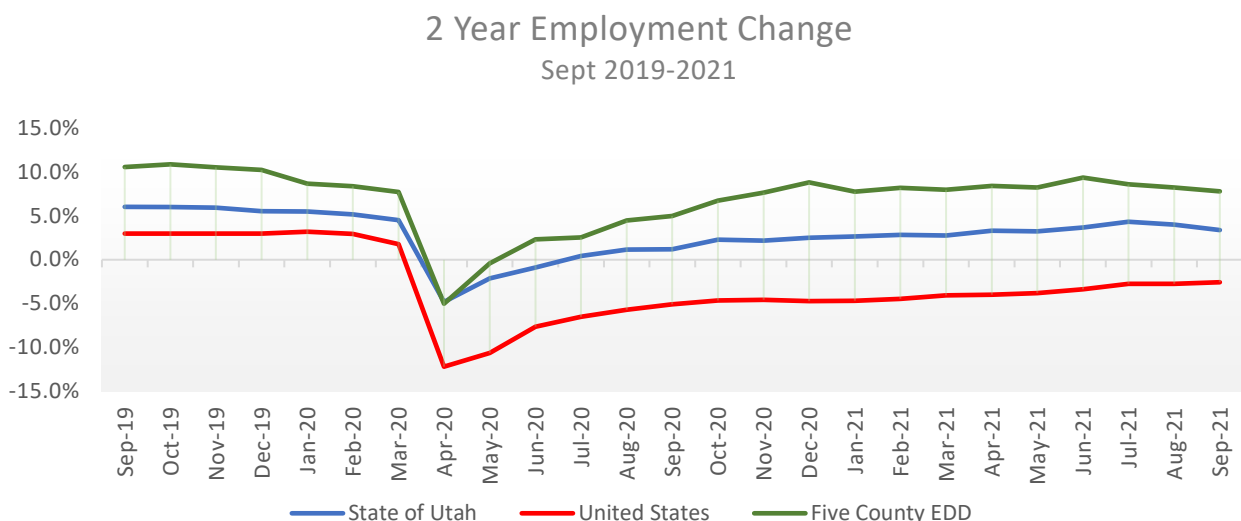




The year-to-year measure of nonfarm jobs is typically looked at as a key indicator of an area's economic success. Unemployment claims are known as a leading indicator among economists as data is promptly available on a week-to-week basis and provides timely insight on a broad swath of the economy. The tremendous impact of the COVID-19 pandemic can first be quantified by the immense amount of first-time unemployment claims tallied across the first year of the pandemic.

For most Southwest Utah counties, initial claims peaked during Week 13 or April of 2020, which is visualized in the county economic impact breakdowns further in this report. After the initial pandemic shock, unemployment peaked in Week 13 with first time claims totaling 2,364. For comparison, in all of 2019 roughly 2,800 total first-time claims were filed. Fortunately, unemployment claims since the initial shock in March 2020 have largely stabilized and tapered downward over time throughout the region.

It is apparent that industry mix and economic diversification come into play concerning resiliency for economic shocks such as a pandemic. The pandemic hit hardest in the Leisure and Hospitality sector amid indoor dining restrictions, restaurant closures, and physical distance guidelines. While short lived, these restrictions caused ripple effects throughout the District's economy. The region conversely benefited from heavier COVID-19 restrictions in neighboring states as tourist travel quickly rebounded, and net in-migration fueled tremendous growth leading to a region-wide building boom. Nevertheless, a combination of factors in each county has led to the region weathering the pandemic storm in an admirable fashion.



Beaver County

Overview

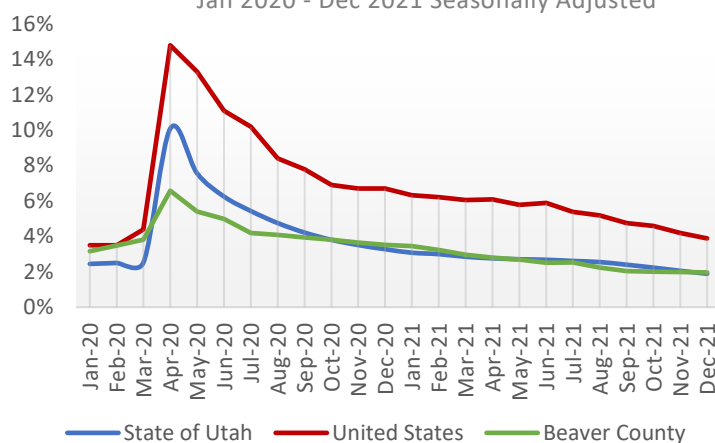
Beaver County's economy has weathered the pandemic storm extremely well after the initial economic shock in March 2020. It's heavy weight in the Government and Covered Agriculture supersector, as well as its relatively small share of hard-hit Leisure and Hospitality jobs have served to blunt the initial impact of the pandemic downturn. This quick return to relative normalcy gave Beaver County a head-start on the road to recovery. The county's economy exhibits moderate resiliency despite its specialized industry mix as its total job level has remained essentially unchanged since 2013, indicating it is neither growing nor declining.

Key Findings

- Beaver County previously averaged 2 unemployment claims per week before the pandemic, compared to 16 new claims in the pandemic's early months, an 834% increase
- New claims as a percentage of covered employment measured only 4%, one of the lowest in the state
- Unemployment briefly topped 6% in April 2020, but the increasing rate of job losses stabilized and fell to pre-pandemic levels by July

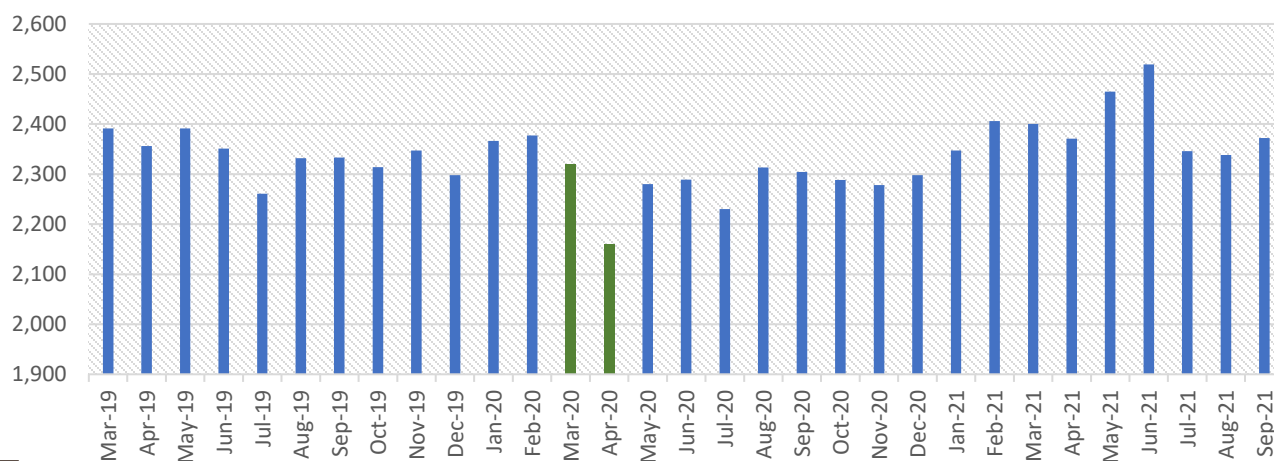
Unemployment Rate

Jan 2020 - Dec 2021 Seasonally Adjusted



Utah Department of Workforce Services, US Bureau of Labor Statistics

Beaver County Total Nonfarm Jobs

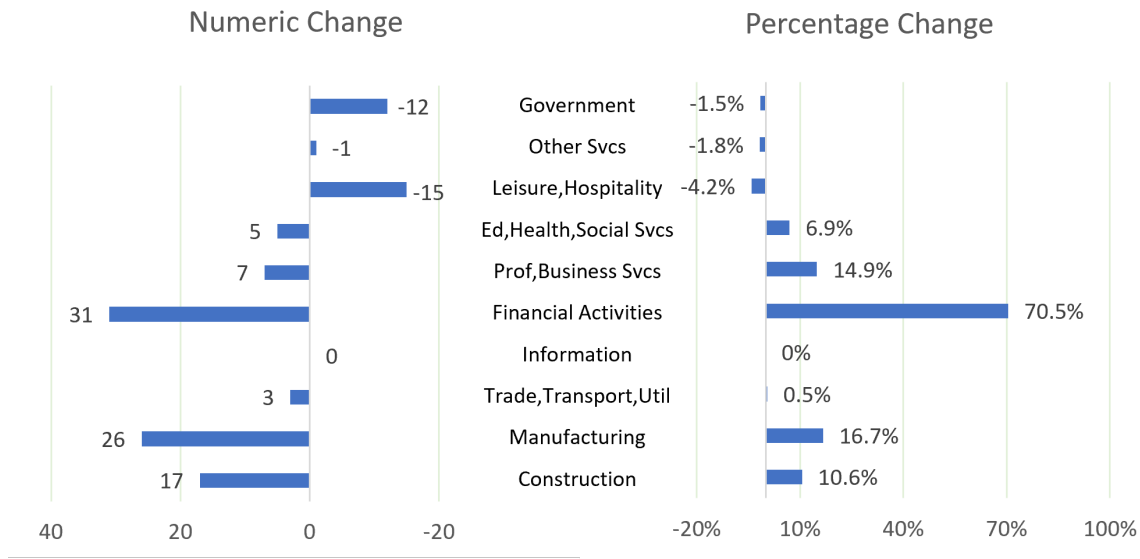


Utah Department of Workforce Services, US Bureau of Labor Statistics



2-Year Change in Jobs

Sept-2021 Beaver County



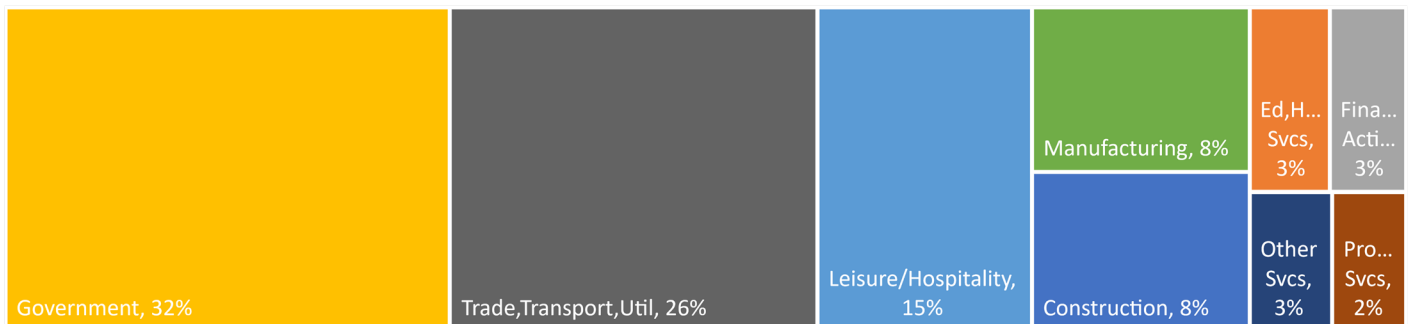
Utah Department of Workforce Services, US Bureau of Labor Statistics

Beaver County spanned the pandemic downturn in relative strong fashion. From June 2020 to June 2021, Beaver's economy has grown by 7.3% with current two-year job growth recently slowing to 1.7%. The county's relatively diversified employment mix experienced solid growth in the Financial Activities, Manufacturing, and Construction sectors over the period. Government, mostly administration and education, is the county's largest employer with 32% of area jobs. This sector is fairly resilient with minor job losses over the period and a sustained primary spot in Beavers employment mix.

Current trends are extremely positive as in December 2021 the county's unemployment rate approached a record low of 2.0%. However, this is a double-edged sword and exemplifies a trend seen across the region and state of an increasingly tight labor market. From June 2020 to June 2021, Beaver's economy has grown by 7.3% overall with current two-year job growth slowing to 1.7%.

Beaver County Employment Share

September 2021



Utah Department of Workforce Services, US Bureau of Labor Statistics



Garfield County

Overview

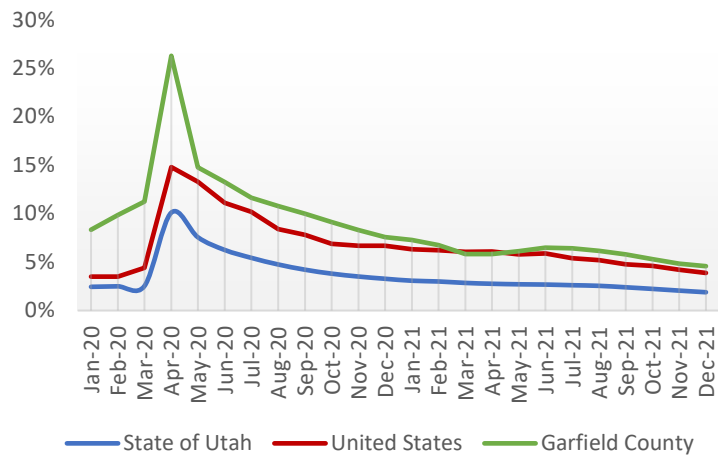
In stark contrast to its Northern neighbor, Garfield County was impacted swiftly and drastically by COVID-19. Unemployment skyrocketed during the first month of the pandemic, eventually topping 26% by the end of March 2020. Sharp reductions in tourism related commerce led to outsize negative shocks that rippled through the county's largely service-based economy. Garfield's Leisure and Hospitality supersector suffered throughout the pandemic and continues to feel the lingering effects of the downturn. Despite the initial dramatic hit, Garfield County returned to pre-pandemic job levels by March 2021. The county's labor dynamics have stabilized as of the third quarter of 2021 but lingering effects such as a lagging service-based industries and an overall tight labor market have hindered recovery momentum.

Key Findings

- Leisure and Hospitality makes up 46% of area employment leading to dramatic job losses in the early months of the pandemic
- Garfield previously averaged 6 first-time claims compared to an average 53 claims per week at its peak
- 70% of all initial claims were filed by workers in the accommodations and food service industry
- Garfield experienced a net job-loss over the pandemic of -0.3%

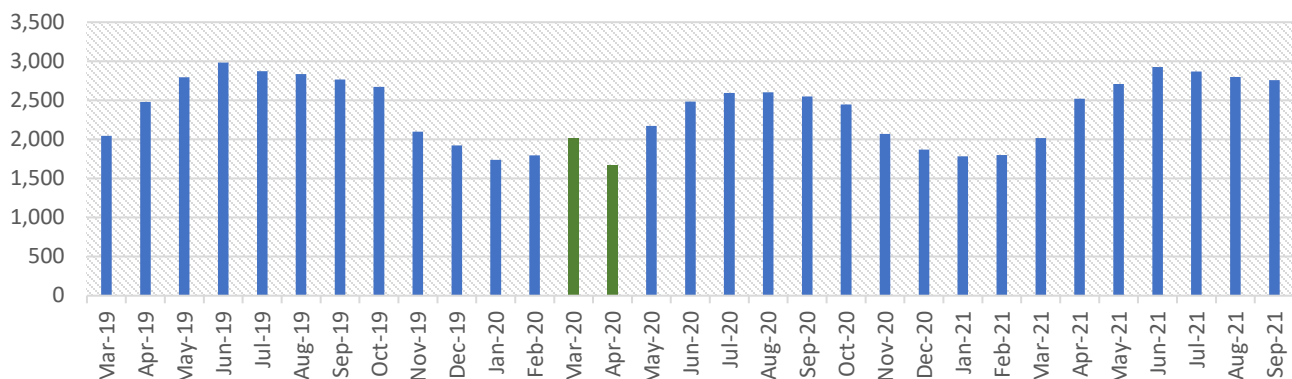
Unemployment Rate

Jan 2020 - Dec 2021 Seasonally Adjusted

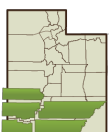


Utah Department of Workforce Services, US Bureau of Labor Statistics

Garfield County Total Nonfarm Jobs

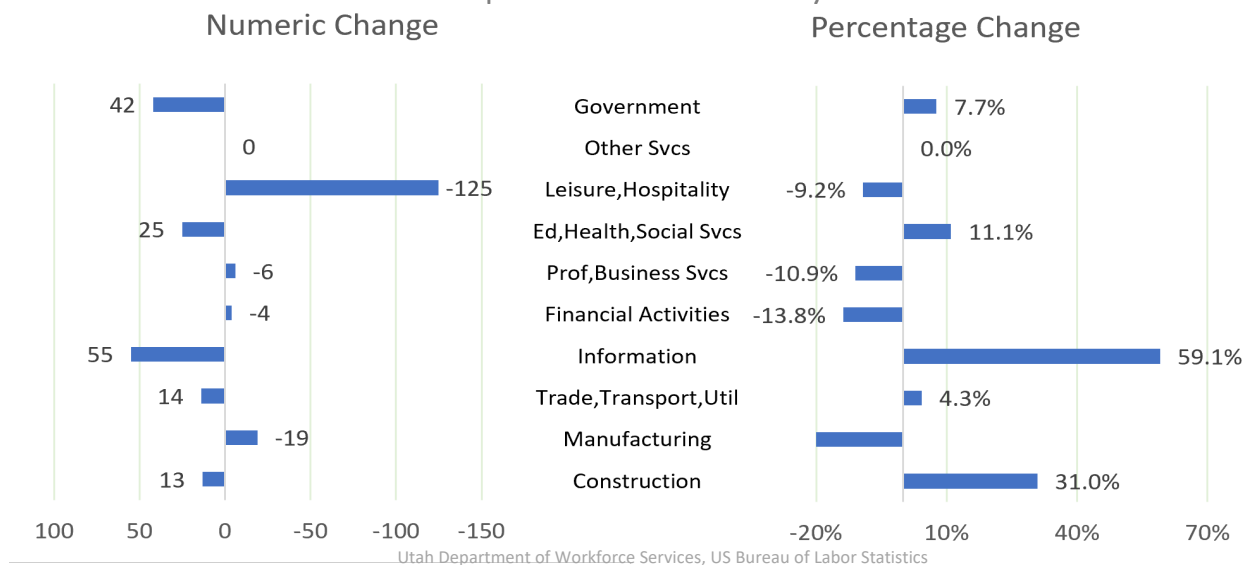


Utah Department of Workforce Services, US Bureau of Labor Statistics



2-Year Change in Jobs

Sept-2021 Garfield County

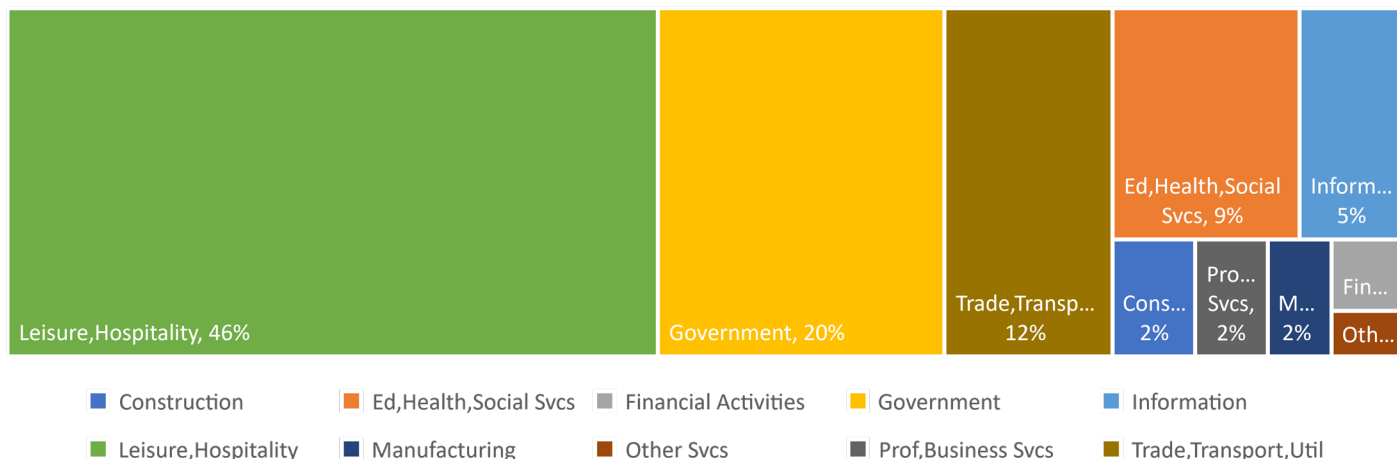


Garfield County has the highest percentage of Leisure and Hospitality jobs of any county in the state. Despite this, Garfield County ranked third in the region for percentage of initial claims filed as a share of covered employment at 20%. This can be attributed to many area seasonal workers likely drawing on unemployment benefits going into the pandemic. Nearly two thirds of all initial unemployment claims were filed from workers furloughed in the Accommodations and Food Service industry, which highlights the drastic impact reduced tourism visitation had.

Garfield County has a 46% industry mix in the Leisure and Hospitality sector, which has experienced a reduction of 125 total jobs over the pandemic period. The county has a total employment level of 2,759 jobs as of September 2021 and has seen a -0.3% overall job change. As previously mentioned, a high level of seasonality relating to a heavy tourism related industry mix can partially explain Garfield County's perennially elevated unemployment rate. The county closed out 2021 with a 4.6% unemployment rate, signaling that economic recovery has not yet been fully achieved.

Garfield County Employment Share

September 2021



Iron County

Overview

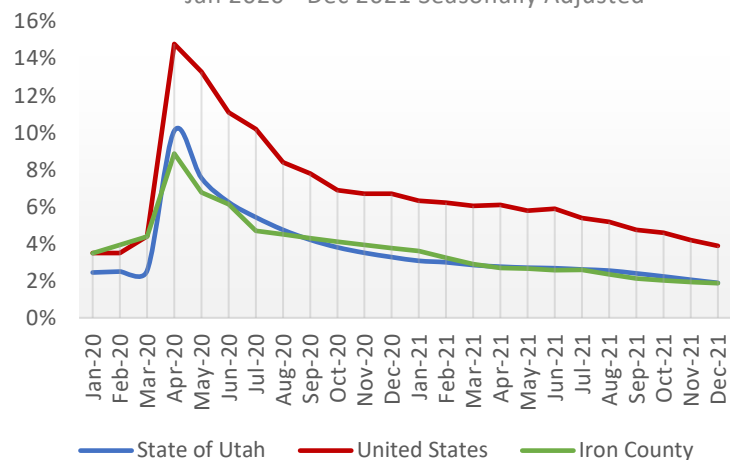
Iron County is the second largest economy within the Five County EDD and proved to be resilient enough, after a swift initial impact to certain sectors, to make a full and rapid recovery from the pandemic recession. The county began growing jobs as early as June 2020 and has continued to excel into 2022. Iron County's diversified industry base aided its rapid bounce back from the initial shock and has led its return towards a robust growth trajectory. After the preliminary shock, the county's Construction, Manufacturing, and Trade and Transportation supersectors have remained stable even amid ongoing worldwide supply-chain reverberations.

Key Findings

- Before the COVID-19 Pandemic Iron County averaged 16 initial claims compared to an average of 236 claims in peak weeks, an increase of 1,390%
- New unemployment claims peaked in late April 2020
- First time unemployment claims measured 9% of total covered employment
- The County's Accommodation and Food Services sector took the hardest hit with the largest share of new claims in early pandemic months

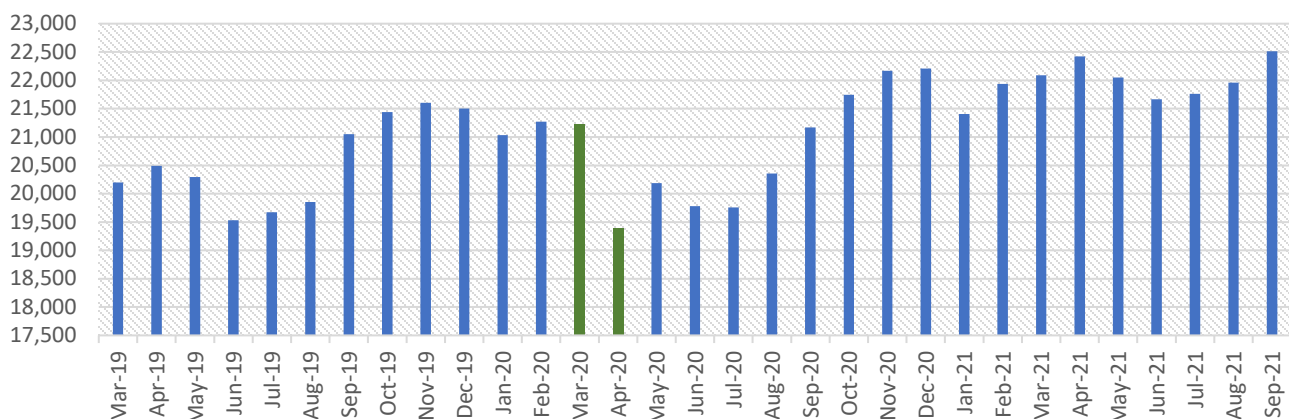
Unemployment Rate

Jan 2020 - Dec 2021 Seasonally Adjusted



Utah Department of Workforce Services, US Bureau of Labor Statistics

Iron County Total Nonfarm Jobs

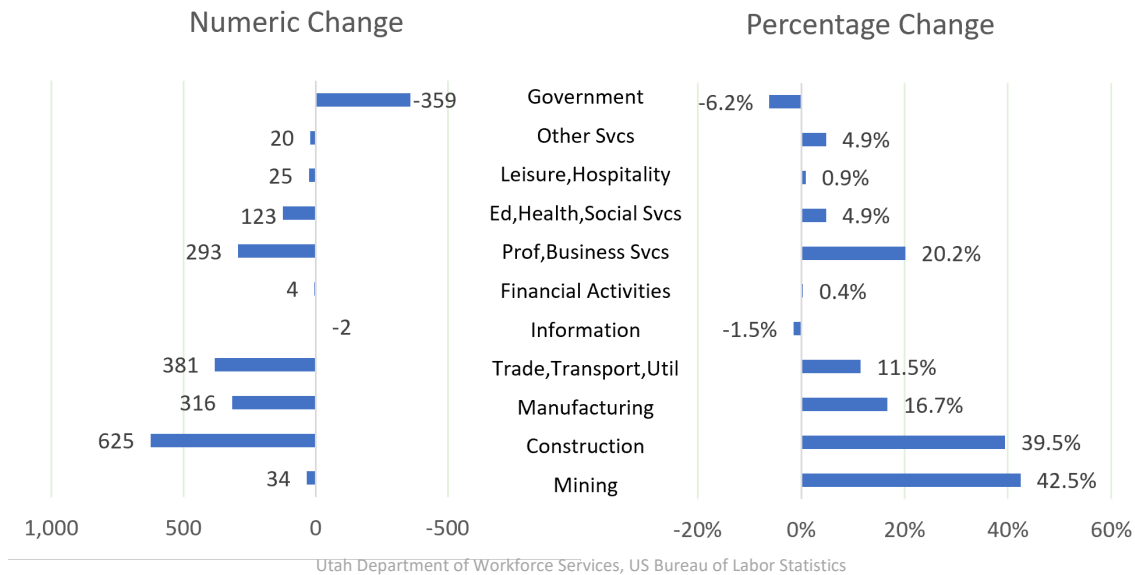


Utah Department of Workforce Services, US Bureau of Labor Statistics



2-Year Change in Jobs

Sept-2021 Iron County

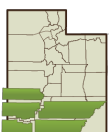
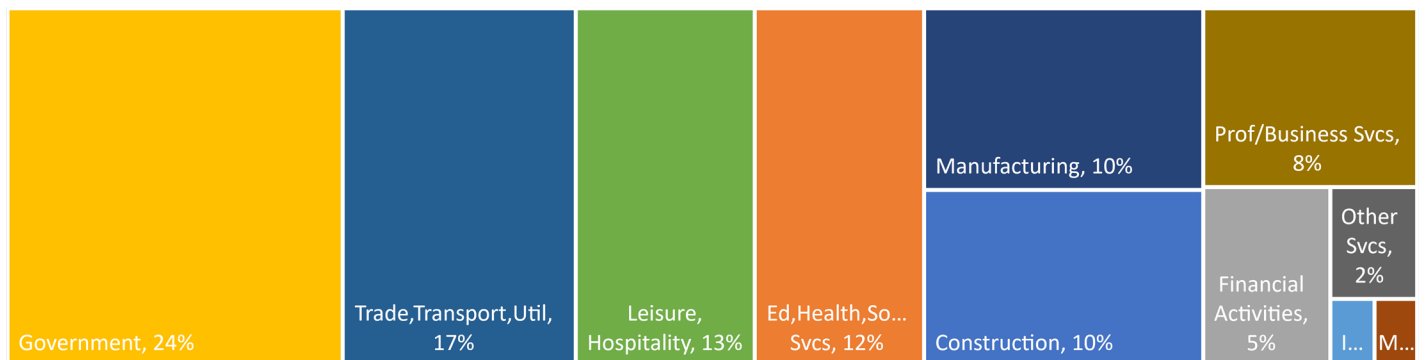


Iron County experienced a quick rebound from the initial pandemic downturn likely due to its strong industry diversification and economic base in Construction, Manufacturing, Trade Transportation and Utilities. Unsurprisingly the Leisure and Hospitality industry, specifically Accommodations and Food Services, took the largest hit overall. Despite initial turmoil, the county has managed to return to a strong growth trajectory experiencing job growth of 6.9% over the pandemic period.

Job gains over the period have been led largely by the mining and construction sector, followed by Professional and Business Services, and the Trade, Transportation and Utilities sectors. Unemployment in December 2021 was recorded at 1.9% which matched the statewide rate which has since been adjusted to 2.2%. This continues the theme of tight job markets across the region. Optimistically, wages in Iron County have actually grown 1.8% indicating that Iron's economy has continued a growth trajectory.

Iron County Employment Share

September 2021



Utah Department of Workforce Services, US Bureau of Labor Statistics

Kane County

Overview

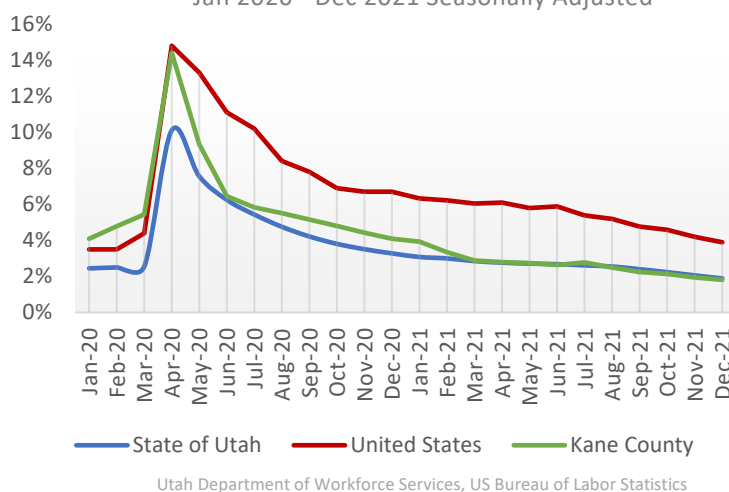
Kane County's economy suffered rapid deterioration during the initial onset of the pandemic recession due to its heavy reliance on tourism related industries. However, it rebounded quickly and began adding jobs as early as October 2020. Between June 2019 and June 2021, the county managed a positive annual growth rate topping 3% and reached its highest level of nonfarm employment ever. Given this expansion, unemployment rates plummeted by September 2021, approaching records, and falling to levels lower than before the pandemic. The construction industry sailed largely unaffected through the pandemic recession and continues to boom despite widespread supply chain disturbances. Kane County's leisure and hospitality services supersector has proved resilient and showed middle-of-the-pack rankings for new unemployment claims overall.

Key Findings

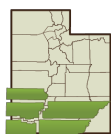
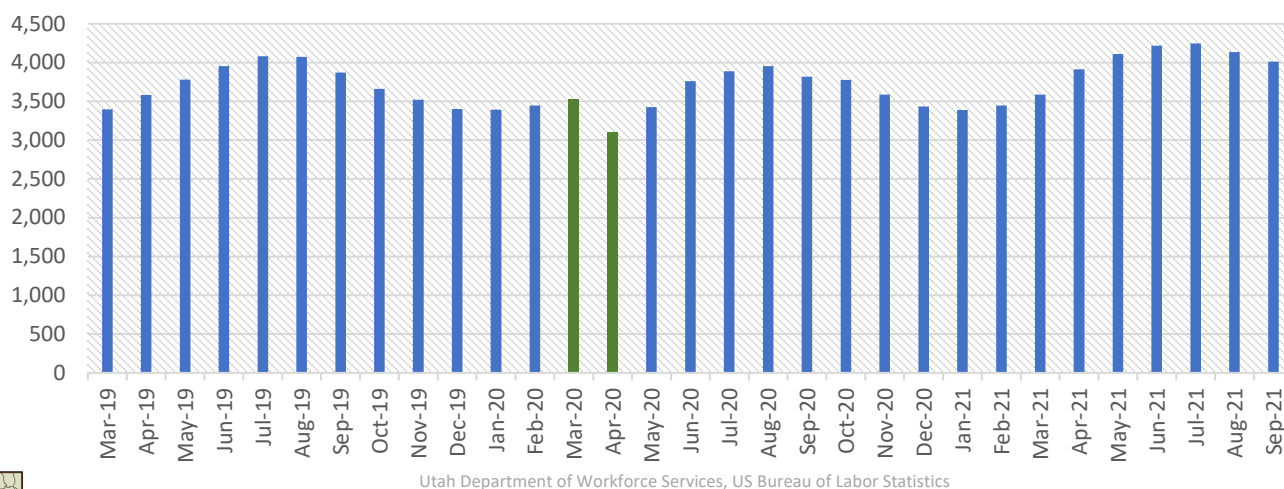
- New unemployment claims in Week 13 totaled 10% of all covered unemployment
- Pre-pandemic claims totaled 2 on average, compared to 44 at peak, a 1708% increase
- Accommodations and Food Services followed the regional trend and totaled the highest amount of initial claims
- Tight labor market and lagging leisure and hospitality supersector hinder recovery

Unemployment Rate

Jan 2020 - Dec 2021 Seasonally Adjusted

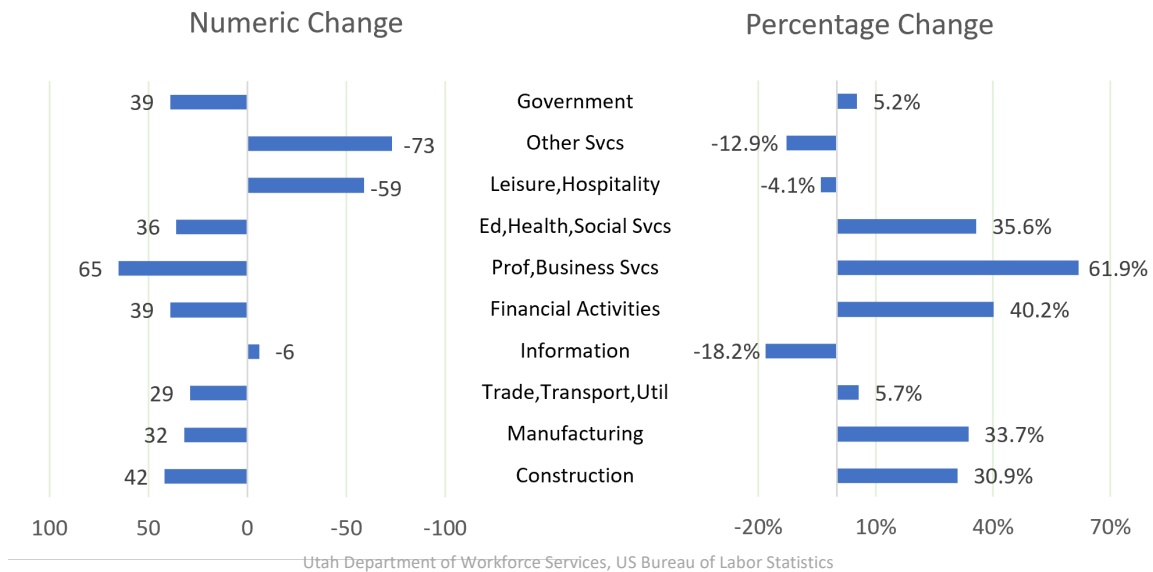


Kane County Total Nonfarm Jobs



2-Year Change in Jobs

Sept-2021 Kane County

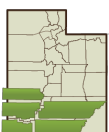
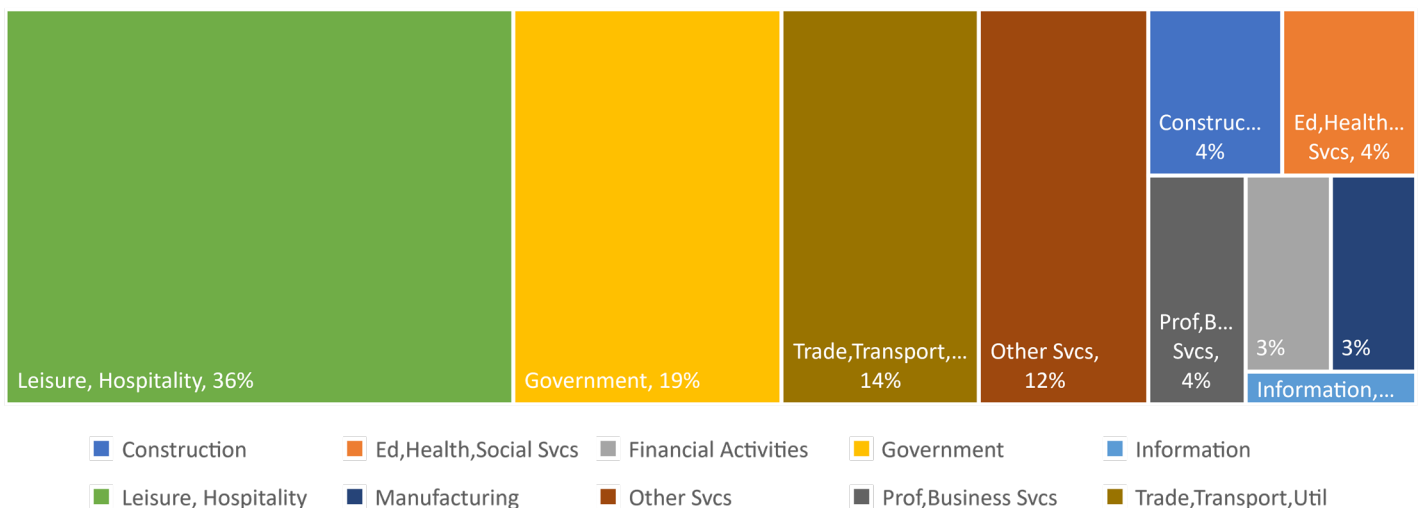


Despite having the second highest reliance on Leisure and Hospitality jobs in the region, Kane County's economy ranked medially among its peers in initial job losses which mirrors Garfield County. This is likely due to a large number of seasonal workers already drawing on unemployment benefits when the pandemic hit.

Over the pandemic period the county has seen an employment increase of 3.6% which is on pace with the state's overall 3.4% increase. December 2021 unemployment of 1.8% was well below the state adjusted average of 2.2%. Despite its overall recovery, the county's Leisure and Hospitality sector has lagged. Jobs in service-related industries are down considerably from their pre-pandemic heights and are emblematic of an extremely tight labor market region-wide. Nevertheless, large industry gains in the Professional and Business Services, Financial Activities, Manufacturing, and Construction have sent Kane County on a tremendous growth track.

Kane County Employment Share

September 2021



Washington County

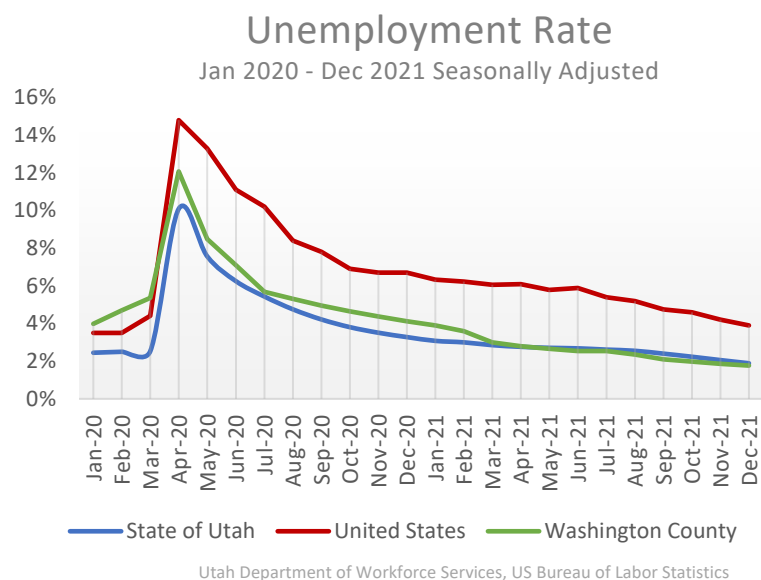
Overview

Washington County boasts the region's largest and most diverse economy. A robust industry mix coupled with brief shutdowns on commerce early in the pandemic helped Washington County to bounce back quickly from the initial drastic downturn.

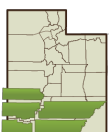
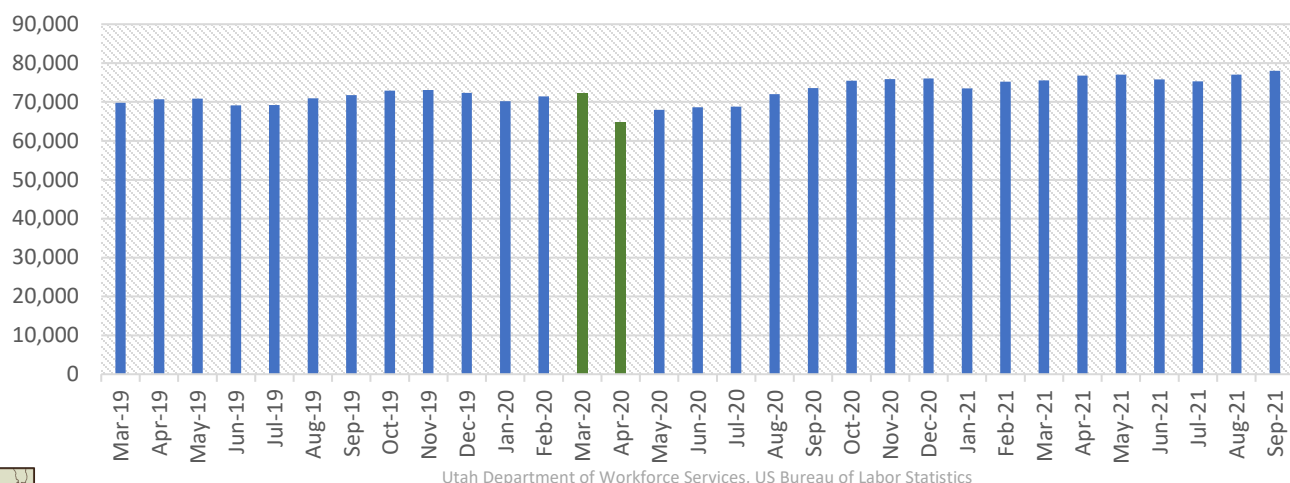
Unsurprisingly, the largest economy in the region also produced the largest number of COVID-19 related initial unemployment claims. Mirroring a regional trend, the county saw large losses in tourism related Leisure and Hospitality jobs which have since managed to experience moderate growth. Overall Washington County fared well compared to other more urban economies in the state and throughout the Intermountain West.

Key Findings

- Washington County's share of first time claims as a percentage of covered employment briefly reached 74%
- An average of 56 initial claims per week were filed before the pandemic compared to 994 during, a 1,688% increase
- Tight labor market and sluggish return of tourism and leisure jobs mirrors the region and tempers the County's recovery

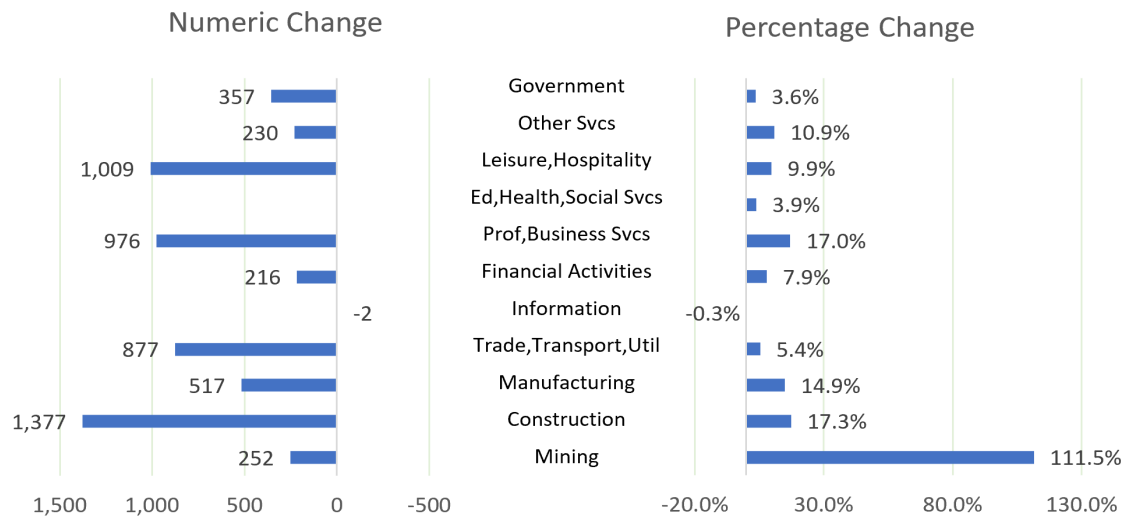


Washington County Total Nonfarm Jobs



2-Year Change in Jobs

Sept-2021 Washington County

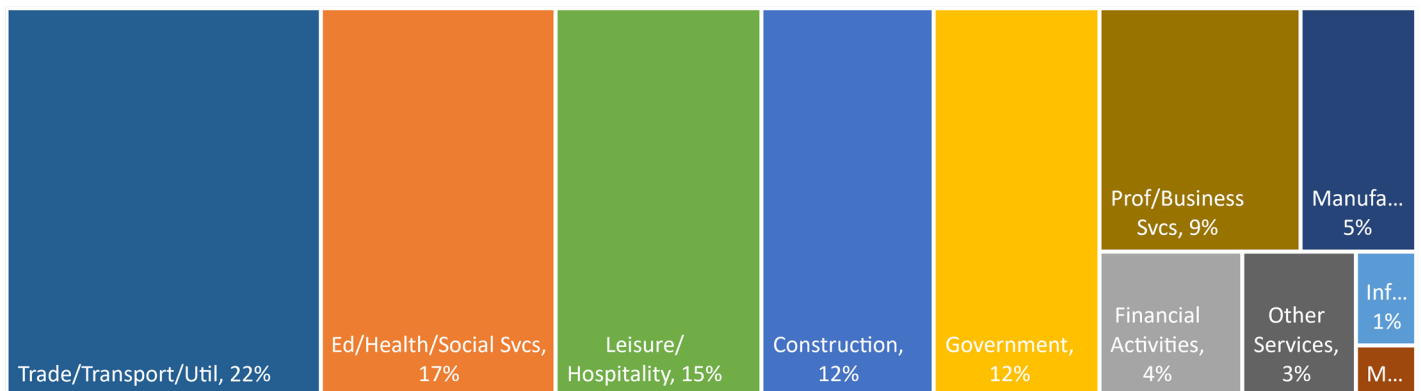


Utah Department of Workforce Services, US Bureau of Labor Statistics

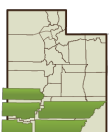
Following the dramatic initial pandemic-induced economic downturn in April 2020 Washington County reached pre-pandemic job level parity in only four months. Since the early months of the pandemic the county has returned to its usual growth pattern. A large influx of tourists post-reopening and new residents throughout the year led a quick return to job growth by the fall of 2020. As of September 2021, two-year job gains total 8.8% compared to 3.4% for the state. Unemployment closed 2021 at a record low of 1.8%. While this may seem excellent, the figure highlights an extremely tight labor market which has complicated the recovery for small and growing businesses. This point is echoed across the entire region and state as pandemic recovery progresses throughout 2022. All considered, Washington County continues to be the epicenter for urban economic activity in the region.

Washington County Employment Share

September 2021

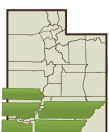


Utah Department of Workforce Services, US Bureau of Labor Statistics



III. Regional SWOT Analysis

The following sections focus on the Five County Economic Development District as a regional economic ecosystem. There are innumerable endogenous strengths and weaknesses within the region as well as many opportunities and threats which could be discussed. Identified areas and themes were derived through consultation with the DRRE Strategy Committee as a whole and with individual members, stakeholder interviews, and observations made over the course of the pandemic. COVID-19 business relief and aid program usage detailed within the following sections are also useful for analyzing the economic impact of the pandemic. Weaknesses are simultaneously viewed as opportunities to address, with recommendations for the region being made within the opportunity section. For the scope of this plan, observations were limited to elements pertaining to recovery from an economic shock and long-range resiliency. Several high-level threats to economic growth in the FCEDD are also identified at the end of the analysis.



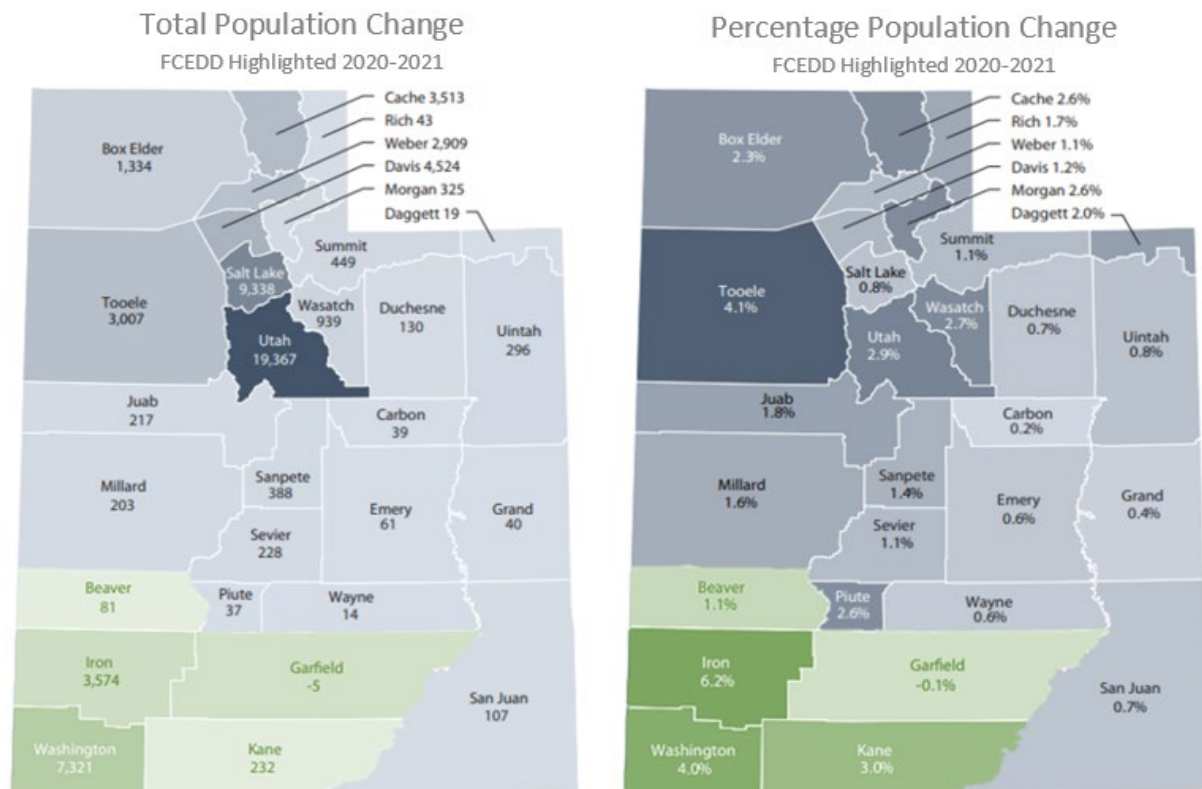
Strengths

Regional Growth

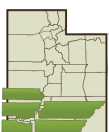
It is necessary to acknowledge the immense growth the FCEDD has seen in population and employment during the pandemic period. The region entered 2020 on strong footing, and after an initial swift impact early in the pandemic period, has entered into an accelerated growth trajectory.

Population

The FCEDD was the fastest growing region in the state over the pandemic period, according to estimates from the Kem C. Gardner Policy Institute utilizing the most recent 2020 Decennial Census data. The region accounts for 8.1% of the state's total population but made up 19.1% of statewide growth during the pandemic period. The District's main source of growth was net in-migration, which accounted for 93% of population expansion and mirrors an overall state trend.



Kem C. Gardner Policy Institute analysis of Decennial Census Data 2022



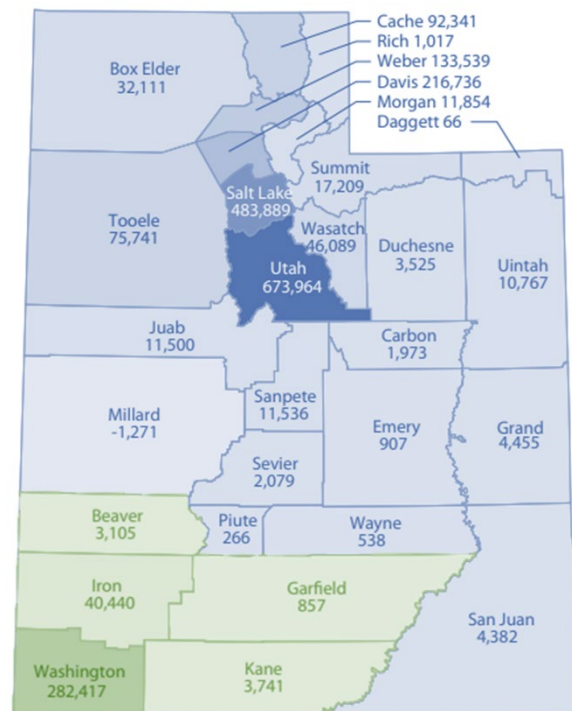
Economic Region/Country	April 1, 2020 Census	2020 Population	2021 Population	July 1, 2020-July 1, 2021		July 1, 2021				
				Absolute Growth	Growth Rate	Births	Deaths	Natural Increase	Net Migration	Net Migration Share of Growth
Southwest	257,390	259,621	270,823	11,202	4.31%	3,225	2,415	810	10,392	93%
Beaver	7,072	7,076	7,156	81	1.14%	90	72	18	63	78%
Garfield	5,083	5,084	5,079	-5	-0.09%	56	75	-19	14	100%
Iron	57,289	57,658	61,232	3,574	6.20%	746	398	348	3,226	90%
Kane	7,667	7,692	7,924	232	3.01%	84	87	-3	235	100%
Washington	180,279	182,111	189,432	7,321	4.02%	2,249	1,783	466	6,855	94%
State	3,271,616	3,284,823	3,343,552	58,729	1.79%	45,639	21,768	23,871	34,858	59%

Kem C. Gardner Policy Institute analysis of Decennial Census Data 2022

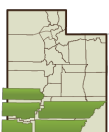
Iron County experienced the fastest population growth in the state in 2020 at 6.2% (3,574), followed closely by Washington County which experienced a 4% (7,321) overall population increase. Kane County recorded a significant 6.2% population increase, while Beaver County recorded 1.1%. Garfield was the only county in the state that experienced an estimated population loss. Despite net in-migration, Garfield County had a natural population decrease. This natural population loss is due to recording higher deaths than births.

Throughout 2020, net migration contributed most significantly to population growth. Slower growing counties typically show more significant growth through natural increase. However, during the COVID-19 pandemic deaths sharply increased which coincided with a decrease in births across the state, leading net migration to become a larger share of growth. Ongoing monitoring and additional analysis is necessary to show if this trend will continue, as the nation moves out of the pandemic and into a more stable steady-state.

Population forecasts from the Kem C. Gardner Policy Institute for FCEDD in 2022 show the region as a major contributor to statewide growth from 2020-2060. The more urban, and densely developed Washington and Iron County are projected to lead growth, while the region's rural communities will still show moderate growth along the timeline. Projections indicate the region will have the quickest population growth rate in new residents (129%, or 330,000) and households with a 190% increase or 168,000 by 2060. Washington County alone is forecasted to experience the largest percent increase statewide of 155%, nearly doubling its population. The implications of this growth are serious, and continued long-range planning efforts offer a mode to steer growth towards a community's desired outcomes.



Kem C. Gardner Policy Institute analysis of Decennial Census Data 2022



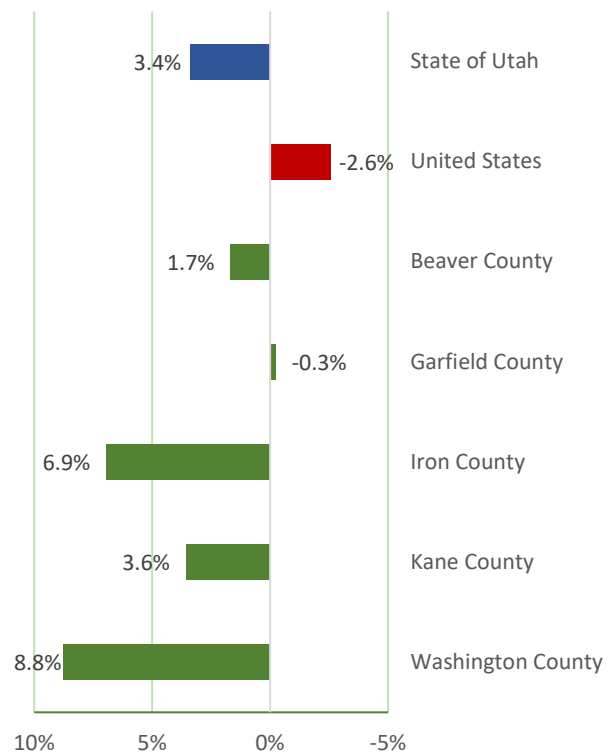
Employment and Industry

The FCEDD entered the COVID-19 pandemic from a point of strength, with an economy that was already expanding and had attained full-employment. Early in the pandemic, businesses temporarily closed their doors, commerce was depressed, and thousands of workers across the region lost their jobs. Fortunately, the District stabilized from this initial shock quickly, and even though some lingering effects remain, it has resumed a positive growth trajectory.

Regional employment trends are promising for the most part, with all counties showing job growth over a two-year period as of Q3 2021. Washington and Iron County have led the state with robust gains over the period, while Kane and Beaver County have stabilized and have managed moderate growth. Garfield County shows a slight employment decline of 0.3% over the period. This can be considered relatively stable considering their economy's seasonality and heavy weight in the Leisure and Hospitality sector, which has led to perennially lagging growth.

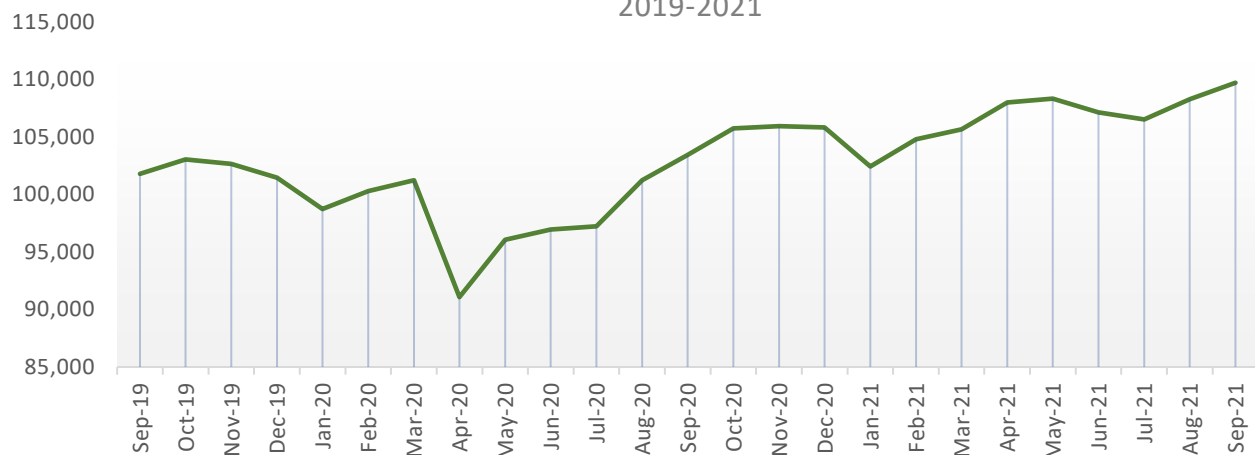
The District reached pre-pandemic aggregated job parity by Fall of 2020, after which the region moved into job creation, a trend which has accelerated throughout 2021 and into 2022. This can be attributed to the dramatic population influx described previously, leading to job expansion across broad sectors.

2-Year Employment Change
Sept 2020-2021

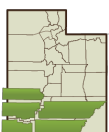


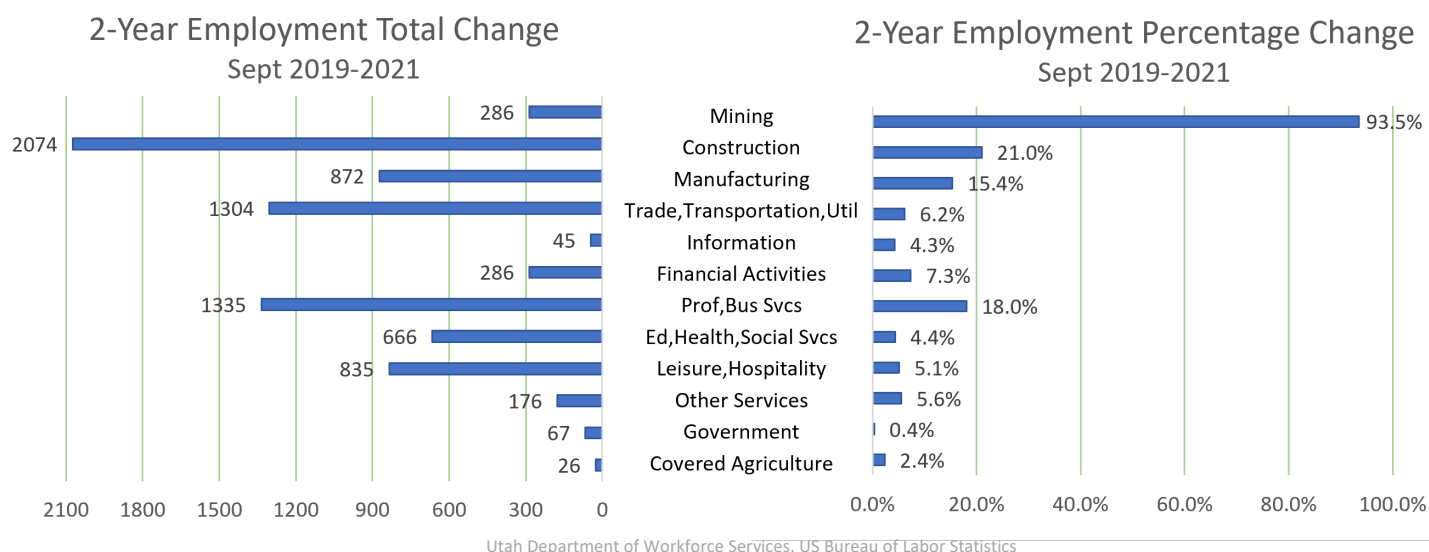
Utah Department of Workforce Services, US Bureau of Labor Statistics

FCEDD Total Nonfarm Jobs
2019-2021



Utah Department of Workforce Services, US Bureau of Labor Statistics





Overall job growth, when broken down into industry sector, shows significant job level expansion in Manufacturing, Trade, Transportation and Utilities, Professional and Business Services, and Construction.

Each county in the region has a significant Trade, Transportation, and Utilities supersector ranging from a 12% employment share in Garfield County to a weighty 26% share in Beaver County. This supersector classification includes aspects of multiple NAICS sectors including Wholesale and Retail Trade, Transportation, Warehousing, and Utilities services such as electric power generation and distribution. This supersector rode out the pandemic storm largely unscathed due to the rapid surge in demand for transportation and warehousing services to accommodate a resurgence of retail trade. The stable employment dynamics of the utilities industry also aided overall growth throughout the period.

The Construction industry shrugged off early pandemic shocks and responded to enthusiastic market demand throughout the period by adding 2074 jobs across the region. The majority of overall construction employment gains were experienced in Washington County and Iron County, where the demand for new homes, as well as office and commercial space exploded throughout the pandemic period.

The District also saw continued growth in the Leisure and Hospitality sector as travel and tourism activity has resumed and expanded in popular locales. The region's natural amenities such as national and state parks have remained open with minimal COVID-19 restrictions after short closures early in the pandemic. Service industries around the region's national parks and other natural amenities have expanded amid high demand over the period, bounded only by the tight labor market.

The Mining supersector which includes quarrying, a contributor to the building material industry, saw a sharp percentage gain. The uptick in employment appears dramatic, however when considering prior low regional job levels, the increase is significant to this industry specifically.

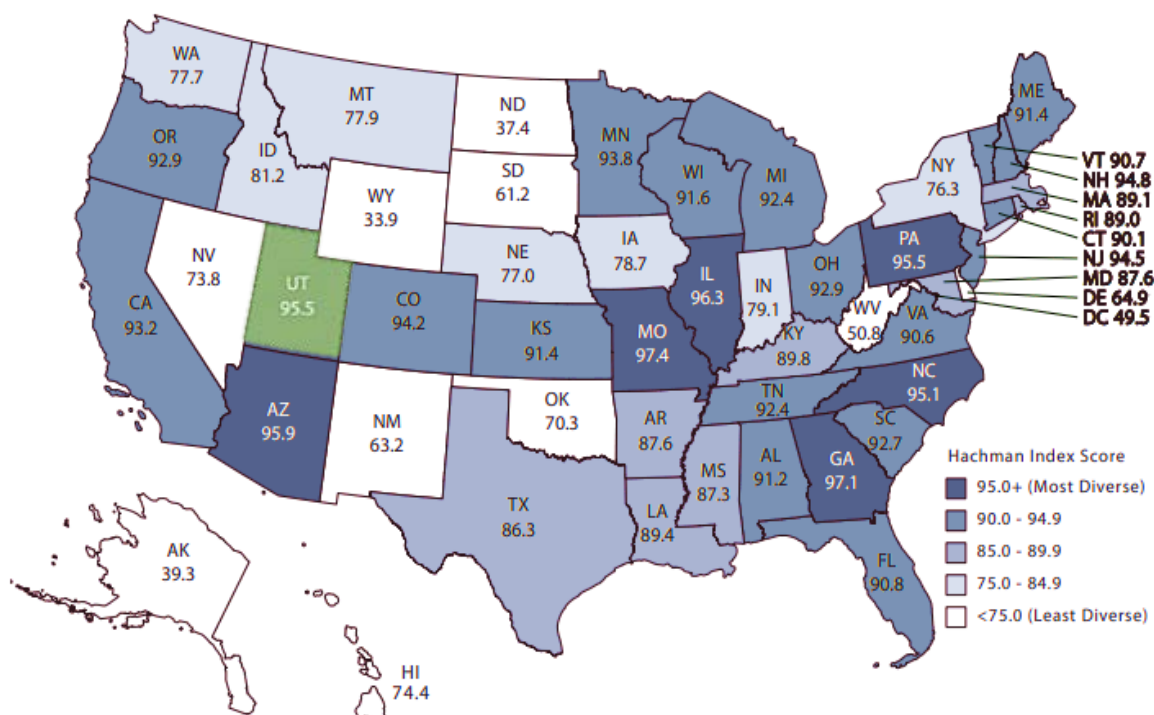


Economic Diversity

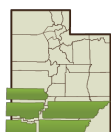
The severity of the pandemic's economic impact can be explained in part by each geography's economic diversity and industry concentration. One method used to measure economic diversity is the use of the Hachman Index. The index incorporates indicators including gross domestic product (GDP) for state level analysis, and employment levels aggregated to the 2-digit NAICS code level for county comparisons. This data is used to measure the industry mix of one region compared to a well-diversified reference region such as the country or state, which is then displayed as an index range from 0-100.

An analysis at the state and county level by the Kem C. Gardner Policy Institute, using employment data from the U.S. Bureau of Labor Statistics and the Utah Department of Workforce Services, shows the variation of economic diversity across states as well as urban and rural counties. The COVID-19 pandemic affected state level economic diversification scores across the board. In 2020 Utah fell from the most diverse state in the union to sixth. Despite this, Utah (95.5) ranks second among western states for industrial diversity and ranks slightly behind Arizona (95.9) by less than half a point.

A high degree of economic diversification is not an all-encompassing measure of economic prosperity. It should be viewed as an indication of an area's broad economic landscape with opportunity and choice. Economic diversity is considered a primary existing and positive characteristic for the majority of the region, while being a goal economic development initiatives should strive towards in communities across the FCEDD.

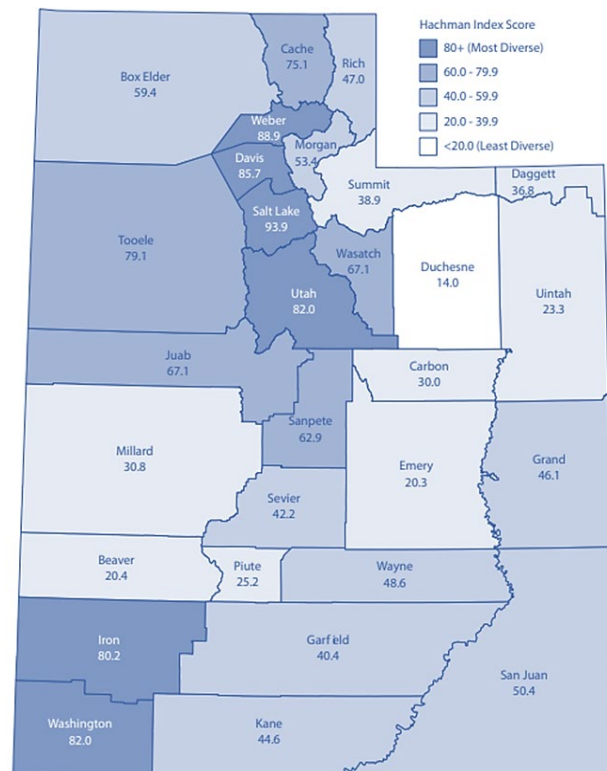


Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics and Utah Department of Workforce Services employment data (2022)



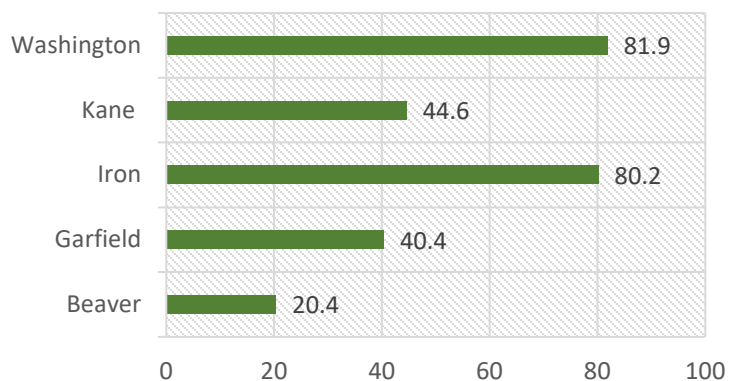
The FCEDD can be considered the most industrially diverse region outside of the Wasatch Front and its neighboring economically interconnected ring counties. The District mirrors the statewide pattern of higher industrial diversity in urban counties, followed by increased specialization in rural counties. A less diverse industry mix indicates specialization, and in many cases, comparative advantage. For example, counties that contain rail infrastructure or modern airports have a comparative advantage in trade, transportation, and manufacturing industries. While counties that contain beloved national parks also possess a high concentration of service industries, denoting specialization, and comparative advantage.

Washington and Iron County exhibit, strong diversity with the regions highest Hachman Index scores while Kane, Garfield, and Beaver County are more specialized in their industry composition. Washington County has the state's fifth most diverse economy, with Iron County (80.7) ranking sixth. Kane (44.6) and Garfield (40.4) counties register lower relative economic diversity, while Beaver County (20.4) ranks as the state's third least diverse economy.



Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics and Utah Department of Workforce Services data

Hachman Index by County



Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics and Utah Department of Workforce Services employment data (2022)

The region boasts an overall relatively diverse Industry mix, an attribute that helped to blunt the initial impact of the COVID-19 Pandemic. As previously detailed, the Leisure and Hospitality supersector saw tremendous hardship in early 2020 as pandemic uncertainty, drop-offs in tourism visitation, restaurant closures, and shutdowns on commerce tore across the nation. Despite this, the region quickly bounced back, save for minor job losses in Garfield County which holds the states heaviest reliance on Leisure and Hospitality jobs.



Business Support Network

The FCEDD excelled amid the onset of the pandemic shock by continuing to be a venue for business support and expansion. Numerous organizations at the federal, state, and local level developed response programs and reinforced networks to aid businesses at their most vulnerable. The following section highlights notable support programs and initiatives which served businesses across the FCEDD most effectively throughout the pandemic period.

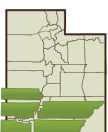
FCAOG Small Business Assistance

In the early months of the pandemic, the Five County Association of Governments launched the Emergency Small Business Grant Program to respond to COVID-19. The grant utilized CARES Act funding funneled through the Community Development Block Grant program. Available funding was intended to be used for general business expenses such as payroll, overhead, and purchase of supplies. FCAOG awarded forty-two small businesses grants ranging from \$2,000-\$5,000, with total awards totaling upwards of \$200,000 by completion of the program in late 2020. The widespread use of these funds is considered a success for regional collaboration, and a creative use of existing programs during a crisis.

Small Business Development Centers and U.S. Small Business Administration

The District is home to two Small Business Development Centers (SBDC's) that are centrally located in Cedar City and St George. Regional SBDC offices offer a broad range of services for any stage of a business from start-up to succession planning. Existing business owners and entrepreneurs alike can utilize confidential and free-of-cost assistance with developing business plans, accounting and budgeting, licensing, leadership training, and e-commerce. SBDC's are one of the most dynamic and innovative resources available to the entrepreneurship community across the region.

Amid the onset of the pandemic both SBDC's boosted community outreach efforts to spread awareness of new and current business support services. The Cedar City SBDC initiated a community outreach program that contacted every licensed business in the county. Over the pandemic period, the Cedar City SBDC assisted 455 clients, which through utilization of SBA funding and advisory services, aided in the opening of 30 new businesses. These activities created 124 jobs while retaining another 66 across the SBDC's service area of Beaver, Garfield, and Iron counties. The St. George SBDC saw a significant flow of entrepreneurs through its doors during the pandemic period and assisted with the establishment of 148 new businesses through 2021. Advisory and business initiation activities resulted in nearly 750 new and retained jobs across Washington and Kane counties.



Amid the onset of the pandemic, the U.S. Small Business Administration rolled out several innovative programs and directed millions of dollars stemming from the CARES Act towards small business relief. Flagship programs included the Paycheck Protection Program (PPP), Economic Injury Disaster Loans (EIDL), Shuttered Venues Grant, and the Restaurant Revitalization Fund. The Paycheck Protection Program, now a household name, was a forgivable loan program intended to be used by small businesses to keep their staff on payroll during the commerce lockdown. The Economic Injury Disaster Loan Program (EIDL), introduced after PPP, offered low interest loans meant to be used for working capital as well as non-interest “advances” which acted like grants.

These programs were administered by either the SBA at the state level or directly at the community level by local Small Business Development Centers (SBDC’s). Due to the dedicated work of the SBA and local SBDC’s, Utah was the most effective state in the nation for successful program implementation and utilized SBA loan funding to cover 97% of total payroll. Across the FCEDD, 8420 PPP loans and 2317 EIDL loans were approved, which totaled well over half a billion dollars in small business relief.

Area	PPP	EIDL	Total Loan Amount
Beaver	260	47	17,310,185
Garfield	304	101	27,599,066
Iron	1401	375	117,200,200
Kane	340	122	30,577,480
Washington	6115	1672	523,133,248
FCEDD	8420	2317	724,820,179

U.S. Small Business Administration, SBA Utah District Office,
Utah Small Business Development Centers

The tremendous utilization and administration of relief funds is a testament to how existing entities such as SBDC’s were able to fill a tremendous need, while fostering resiliency and ensuring the business community continues to thrive during a worldwide catastrophe.

Governor’s Office of Economic Opportunity

The Utah Governor’s Office of Economic Opportunity (Go Utah) developed 10 programs in early 2020 to respond to and combat the effects of COVID-19, collectively known as the ‘In Utah Campaign’, 8 of which directly related to statewide economic recovery and revitalization. The following In Utah programs were closed by end-of-year 2020 and administered \$163,563,817 in total relief statewide.

- A Mask for Every Utahn
- Utah Leads Together Small Business Bridge Loan
- Commercial Rental Assistance Program (ComRent)
- Displaced Worker Grant Program (Learn & Work In Utah)
- Impacted Businesses Grant Program (Shop In Utah)
- PPE Support Grant (Safe In Utah)
- Tourism COVID-19 Recovery Program (Meet In Utah)
- Utah COVID-19 Oil, Gas, and Mining Grant



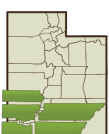
Go Utah has continued development of new programs geared towards statewide economic development. The programs most conducive to economic expansion opportunities within the FCEDD are administered through GO Utah's Center for Rural Development. The Rural County Grant program continues to empower the region's county governments by funding a broad range of planning, projects, and activities. Other programs such as the Rural Economic Development Incentive (REDI) have been used by area businesses to expand and create jobs. The Utah Main Street Program provides a framework and funding for communities to revitalize their downtown economies. Cedar City will soon benefit from this program after they were selected for a \$30,000 grant which will help fund local business upgrades and historic preservation that will improve their Historic Downtown.

Chambers of Commerce

Chambers of commerce proved to be some of the most effective business supporting entities to serve the community during the pandemic. The region is home to seven thriving chambers located in Parowan, Escalante and Boulder, Cedar City, Kanab, Washington City, Hurricane, Hildale (UZONA, a Utah Arizona collaborative) and the St. George area which boast thousands of collective business members. These organizations proved to be a reliable and trusted source of information for area businesses. Area chambers disseminated information on business relief programs quickly and effectively. Many built easy to use web pages to consolidate information for their members. Several chambers developed successful initiatives and relief programs to respond to their member's sudden need.

The St. George Area Chamber of Commerce is the largest in the region and established the Greater Together Small Business Resilience Fund, a tremendous public-private partnership between the Chamber who executed on behalf of St. George City, Washington County, and the private sector. The program provided zero-interest, short term bridge loans for small businesses as a stopgap so they could remain operating. Loans were awarded ranging from \$5,000-\$20,000 to more than fifty businesses across Washington County. The Cedar City Chamber of Commerce implemented a simple yet extremely effective 'Green Dot Program' to aid local businesses with visibility during the initial commerce shutdown. Partnering with a local design company, the chamber distributed 1-foot-wide green vinyl window stickers to restaurants and businesses throughout the community. The campaign offered a straightforward way for local businesses to show their customers they are open for business again. Some businesses have opted to keep their green dot displayed and the initiative lives on down Main Street Cedar City.

Area chambers of commerce play a key role in business expansion and retention, two of the most important aspects of economic development. These organizations interact with the business community daily at the ground level and remain valued partners actively working towards a resilient business ecosystem.



Entrepreneurship and Innovation

The District is home to an impressive array of resources for entrepreneurship and innovation. These resources were well established prior to the pandemic, which allowed them to mobilize quickly and were utilized to great effect.

Business Resource Centers

The FCEDD features two Business Resource Centers (BRC) with principal locations at Utah Tech University in St. George and Southwest Technical College in Cedar City. In the summer of 2018, then Dixie State University, and Southern Utah University in partnership with Southwest Tech were awarded a University Center Grant from the U.S. Economic Development Administration. The grant enabled the existing centers to expand their capacity and enhance the entrepreneurship ecosystem in Southwest Utah.

The region's longest established center is located at the Atwood Innovation Plaza at Utah Tech University in St. George. The center provides no-cost business consultations and business education. The makerspace offers a cutting-edge venue for innovators to create prototypes and eventually conduct small-run manufacturing. The Center's experienced staff also provide guidance and solutions in ideation, product research, marketing, and securing patents to name a few. As of early 2022, 58% of business consultations were conducted with women business owners or minorities. In 2021 the Cedar City BRC utilized funding through the EDA Build to Scale grant program to expand their capacity and form the Cedar City Business and Innovation Center. The Business and Innovation Center now offers multiple programs for start-ups ranging from a 3-month intensive accelerator program called The Hive, to an extended launch ongoing mentorship program. The Center also includes a new state-of-the-art makerspace where innovators can design, prototype, and create. The two Centers were able to collectively incubate 38 new businesses over the pandemic period, with many of them specializing in new technology and processes.

The strategic location and partnership between the centers and institutions of higher education offer a coordinated network of comprehensive services to help entrepreneurs grow. Together these two centers form the Southern Utah Entrepreneurship hub, an entity which remains a valued partner in expanding entrepreneurship and innovation across the region.



Weaknesses and Opportunities

Widespread economic diversity

Several communities within the FCEDD exhibit increased specialization, indicating a lesser degree of economic diversity. Beaver, Garfield, and Kane counties rely heavily on industries that are vulnerable to economic shocks such as the Leisure and Hospitality sector. Iron and Washington still experienced massive job losses early in the pandemic, however their diversified economic bases helped to blunt the initial impact while more resilient industries lead growth in the long run. In the context of an economic shock, where shutdowns on commerce and drop-offs in tourism visitation were widespread, economic diversity is a key indicator of resiliency. The distinction should be made that the tourism industry has brought many communities tremendous economic success in years past. However, a heavy reliance in a singular sector can leave an area overexposed in adverse events that may affect regular commerce, such as in service-based industries. When looking towards the future, it would serve the region best to bolster existing successful industry sectors, while putting effort towards expanding new industries that may broaden the areas economic base.

While registering the lowest Hachman Index score within the region. Beaver County (20.4) has a high reliance on Government employment (32%) followed by Trade, Transportation and Utilities (26%), and the Leisure and Hospitality (15%) sector. This is a relatively small share of Leisure and Hospitality jobs compared to the rest of the region. Still, area workers in the Accommodations/Food services sector produced the highest levels of new unemployment claims early in the pandemic.

Kane County's industry employment mix is the second most reliant on the Leisure and Hospitality industry in the region at 36%. Despite this, workers in Accommodations and Food Service, Retail Trade, and Arts, Entertainment and Recreation posted the highest number of initial claims after the pandemic struck. Roughly 44% of these initial claims came from the food services industry as tourism visitation slowed to a trickle and restaurant commerce was halted.

Garfield County has the states highest reliance on Leisure and Hospitality jobs and was also the hardest hit in the region, as unemployment claims topped 26% in April 2020. As in Kane County, many seasonal workers were already drawing on unemployment benefits when the pandemic hit. However, 70% of claims were filed from the Accommodations and Food Service industry with a large number coming from the "unknown" category likely to be from this industry as well. Again, the abrupt halt to regular commerce in service-based industries as well as the now prolonged lingering effects of tight labor dynamics have impacted these sectors dramatically.



Opportunity

Areas exhibiting increased specialization and employment mixes heavily weighted in vulnerable sectors should seize the opportunity to enhance resiliency through diversification, while supporting the industries that have brought them success up to the pandemic. Numerous initiatives and incentive programs are underway at the state level which prioritize expansion in the advanced manufacturing, aerospace, financial services, life sciences, and software sectors. However, these programs have largely been utilized by communities along the Wasatch Front to recruit companies with large projects.

Recent advancements such as the development of the Rural Economic Development Tax Increment Financing (REDTIF) program, which holds more lenient requirements for rural development, as well as the inclusion of Agriculture as a target industry. As of now the program has not been widely employed within the FCEDD. While not an explicit business incentivization program, the Utah Inland Port Authority (UIPA) has expressed interest in developing a statewide supply chain infrastructure system. UIPA plans for a hub-and-spoke approach to expand on existing rail infrastructure and eventually develop a network satellite inland ports throughout the state. Project implementation is forthcoming and would prove extremely significant for area communities with existing rail infrastructure.

Local efforts towards targeted expansion include a push in Iron County to prioritize manufacturing as well as trade and transportation development surrounding the Union Pacific rail spur and Cedar City Airport. The existing Port-15 development boasts nearly one thousand available acres that include railroad and nearby airport access. Existing operations located in this area include heavy steel fabrication, as well as large scale pipe, construction, and packaging material production. Direct rail as well as nearby airport access has allowed these operations to ship their products across the country. Greater economies of scale have led to increased hirings and higher levels of production across the board. Continued development of this project will expand Iron County's burgeoning Manufacturing and Trade, Transportation, and Utilities sectors which provide stable and often high-wage job opportunities.

The Tech Ridge development in St. George aims to create a technology focused mixed use innovation community atop the former St. George airport site. The development makes use of a live, work, and play concept which will serve to attract dynamic employers providing highly skilled and high-wage jobs for area workers. Several companies, both home-grown and transplanted, have already staked a claim on Tech Ridge and the promising development is steadily moving forward.

Existing or similar targeted programs should be supported or initiated at the regional and local level. These efforts provide a mechanism for local leaders to steer growth in a unified and desired direction that is beneficial to their communities. Targeted expansion activities in resilient industries will yield higher paying jobs, stronger year-round workforces, and increased opportunity for future generations.



Affordable and Attainable Housing

Broad growth trends and an already rampant housing shortage reached an inflection point in 2020, creating a perfect storm that has led to increased housing insecurity throughout the region. This trend has continued even as we move out of the pandemic and has been cited as a challenge to business expansion and attraction, as well as general economic vitality among area economic development practitioners. The term affordable housing is defined as housing that consumes no more than thirty percent of a household's income. Attainable housing generally refers to housing that is adequate and affordable for a broad range of income levels. The region currently faces a severe shortage of both affordable and attainable housing across the board.

Market factors including land, labor, and building costs are largely out of the purview of public policy. Coupled with the widespread supply chain woes experienced throughout the pandemic, these factors were magnified and have outpaced current policy levers. It also remains to be seen what policies, if any, local leaders can utilize to combat the rise in speculative home buying which has reduced the available housing stock across the nation. The following are a number of best-practices identified by the Kem C. Gardner Policy Institute and the Utah Housing Corporation detailed in a 2021 report which outlines opportunities that several communities across the region have already seized upon.

Zoning

Zoning changes provide a powerful policy tool that municipalities can use to increase the available supply of housing. Municipal zoning can be tailored and used as a method to increase density, therefore increasing housing stock. Form-Based Code is an additional step that municipalities can take on top of conventional zoning practices. They are developed through a collaborative process between community stakeholders, developers, and local officials with the goal of creating a specific physical form. This style of zoning has been used in urban centers like Millcreek, Provo, and Salt Lake City to create vibrant, densified, and intentional communities.

Redevelopment

Redevelopment Agencies (RDA) can utilize a portion of tax increment financing from economic development projects within a Community Reinvestment Area (CRA) to finance advancements in affordable housing. Every new CRA is required by current state statute to provide a 10% set-aside for housing, which an RDA is able to make use of. These funds can be applied towards a variety of activities such as housing rehabilitation, land acquisition, or general development of income-targeted housing. This tool first requires the use of incentives within a CRA to promote economic development, but still remains a powerful lever for practitioners to pull.



Accessory Dwelling Units

An accessory dwelling unit (ADU) is a small dwelling attached or on the same property as a single-family home. ADU's have emerged recently as a viable option to address the housing shortage and have become heavily utilized by those entering the housing market or those looking to downsize. Recent zoning reforms throughout the FCEDD have implemented this best-practice and have made it easier for existing homeowners to add these structures to their property.

Opportunity

Organizations such as the Housing Action Coalition in Washington county have staunchly advocated for attainable housing throughout the region and have been key drivers in implementing the previously mentioned tools. Their approach to collaborate and educate has been successful in informing the community while conveying the widespread and imperative need for housing.

The pandemic exacerbated ongoing trends of housing insecurity and affordability. Community led organizations like HAC, with clearly defined goals and priorities have the potential to be extremely effective across the region.



Housing authorities also play a key role and provide several services critical to the housing ecosystem in Utah. Housing authorities assist low-income families with attaining safe, decent, and affordable housing opportunities. Authorities develop and administer public housing, as well as distribute Section-8 voucher programs which ensure low-income residents pay no more than 30% of their income towards housing costs. Currently the FCEDD has three active housing authorities in St. George, Cedar City, and Beaver City. The Cedar City Housing Authority has and is currently undergoing efforts to develop physical housing stock. The Beaver City Housing Authority has also discussed plans to develop deed-restricted occupation and income-based housing to address workforce needs. The establishment of a housing authority in Kane County has been discussed as a first step towards curbing the rampant housing shortage and affordability crisis. Continued collaboration will determine if a housing authority in Garfield County would be feasible, however a region-wide unified front in facing the crisis and developing these mechanisms should be considered a best practice.



Infrastructure

The FCEDD's economic growth has been centered in the more urban areas of Washington and Iron County where infrastructure near developable land is relatively established. Improvements in these areas are largely made by a developer who is willing to invest in the project at a greater level. Concerning economic development in rural areas, the lack of widespread modern infrastructure can sometimes become an impediment to growth.

Commercial

During the pandemic period, the region has experienced a dramatic shortage in commercial and industrial property averaging less than 1% vacancy in 2021. Stakeholders from urban to rural areas have expressed the need for commercial property. The need for commercial property is widespread from urban areas to emerging rural economies and has been cited as an impediment to business attraction endeavors.

Greenfields and Mega-sites

The region lacks an inventory of greenfield property as well as shovel-ready mega-sites. Large properties which currently exist display a lack of basic utilities infrastructure such as water, sewer, and electric lines. Mega-sites can typically be classified as large land parcels upwards of 1,000 acres that companies may locate a regionally significant operation. Mega-site developments are extremely significant for surrounding communities and hold the potential to employ many local workers while serving as a value-add to existing service-based enterprises.

Supply Chain

The region currently relies primarily on truck-based commercial transit along its main I-15 corridor. Wide variances in geography across the region limit widespread rail transportation, which is not feasible to develop throughout the FCEDD. Developments such as those mentioned previously seek to expand on existing rail capacity and hope to eventually be included within a statewide supply-chain network. Cedar City and St. George feature modern regional airports, while the remaining counties have smaller municipal airports that are mostly utilized by private planes and infrequent charters.

Broadband

Internet access was made a necessity during the pandemic period. The disparity between communities was made apparent amid work-from-home protocol and widespread home-based schooling. Aside from being a crucial ingredient for communication amid the pandemic, broadband internet access has grown to become a basic living necessity. A comprehensive analysis of broadband coverage is needed for the FCEDD. Current observations of the region indicate broadband internet coverage is well established along the major I-15 corridor. Coverage drops off the farther a household is located from I-15, highlighting the need for middle and last-mile broadband infrastructure improvements.

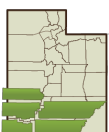


Opportunity

Economic development practitioners should coordinate at a regional level and work collectively to increase the regions stock of greenfields and mega-sites. Large developments benefit not just the host community, but the region as a whole. Commercial property is in general high demand and is best addressed at a local level. Mechanisms such as tax increment financing (TIF) through community reinvestment areas (CRA's) are effective tools that economic development professionals can utilize to incentivize the development of commercial property. A CRA can capture an increment of increasing property and sales tax values after a base value is set. This increment can be used to make infrastructure improvements to a site such as sewer, water, and electric which acts as an incentive for site developers. More widespread understanding and usage of this tool will assist economic developers throughout the region with achieving their communities desired goals.

Geographical limitations have hindered expansion of rail service within the region such as vast changes in elevation and mountain ranges between major municipalities. For this reason, the primary movement of freight within the region is conducted via truck along the major Interstate-15 corridor. Opportunities through the Utah Inland Port Authority (UIPA) have arisen to develop a statewide logistics infrastructure network incorporating multiple satellite locations in a hub-and-spoke configuration. Several of these spoke locations have been proposed within the FCEDD to incorporate and expand existing rail infrastructure. Locations in Beaver and Iron counties are promising as rail spurs currently exist yet are not utilized fully. Both proposed locations are also adjacent to modern regional and municipal airports. Robust investment in a logistics network would prove extremely significant for these community's economic landscapes and would serve to solidify statewide supply chain security.

The need for broadband infrastructure improvements has been limited to conversation on a community-to-community basis. Large scale discussions on broadband improvements have not gained traction on a regional level within the FCEDD. This may be due to the need for widespread data collection on broadband coverage and speed across urban and rural communities. The Utah Broadband Center at the Governor's Office of Economic Opportunity (Go Utah) has recently undergone a large data collection effort in the form of a statewide internet speed test. The initiative seeks to crowdsource data from across the state to pinpoint areas that lack adequate broadband capabilities. This data will eventually be used to make policy recommendations and inform state level funding for broadband infrastructure in communities that are lacking. Communities within the FCEDD were encouraged to participate in the at-home speed test in the hopes that data could be used at the local level. Additional programs are forthcoming, and the Utah Broadband Center is a valued partner of the District. Current discussions with communities have made the need for middle and last-mile broadband apparent and greater investment in this type of infrastructure will prove essential for Southwest Utah to stay competitive in the modern age.



Workforce Development

The pandemic shock shifted workforce dynamics dramatically, with service-based industries facing widespread hardship. This shock saw many workers throughout the region rethinking their occupation and accessing their skills with the desire to broaden their horizons. Additionally, with robust growth comes the need for an abundant and able workforce. Targeted expansion in resilient industries requires a trained workforce, as large operations seeking to establish or relocate to the region will require substantial amounts of skilled labor. State and regional level programs have sought to address this issue, but a coordinated region wide direction has not been developed. The region's institutes of higher education have greatly expanded programming in recent years and entities such as the Utah Department of Workforce Services have continued to assist area workers with job placement. Efficient workforce development requires a region-wide approach, with statewide support and comprehensive outreach to ensure any program is effectively utilized.

Opportunity

Future expansion in target industries will require sizeable amounts of skilled workers. Career and technical training programs provide vital short-term instruction formats that can quickly supply a prepared workforce to satisfy growth in key sectors. The FCEDD is home to Dixie Technical College in St. George and Southwest Technical College located in Cedar City. Southwest Tech also features a satellite campus in Kanab that expands the technical college network to effectively reach the entire region. These public technical colleges are nimble and specialize in short-term and certificate programs that are highly customizable. Programs between the two colleges span the breadth of technical studies including healthcare and life sciences, transportation, precision manufacturing, computer sciences, culinary arts, industrial skills, and construction certifications. Coordination and integration of these programs within a unified workforce development framework is a strong need as continued expansion in targeted industries has outpaced the available trained workforce.

The two technical schools within the region are also venues for the statewide Custom Fit program, an initiative funded by the Utah state legislature that can reimburse companies up to 40% of custom training costs. The program will reimburse expanding businesses for training such as enhancing proficiency in Microsoft Office, CPR and first aid training, general customer service, and even specific custom built industry training, to name a few. Custom Fit has seen usage across the region, however in outreach with economic development practitioners it has become apparent that many businesses are unaware of the opportunity. Regional Business and Innovation Centers largely administer Outreach for the Custom Fit Program, as well staff at the colleges themselves. The increased need for skilled workers within the region necessitates greater investment in administration personnel, outreach, and strategic implementation of the program across the board.

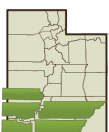




As the state's land grant institution, Utah State University has Extension offices in every county within the FCEDD. Along with hosting in-person classes, the USU Extension has developed the Rural Online Initiative (ROI) Program which became a valued addition to the workforce landscape during the COVID-19 Pandemic. The ROI Program was initiated through legislative action as a response to increasing unemployment, intergenerational poverty, low economic diversity, and net migration of young workers from rural communities to urban centers. The initiative features two flagship training programs, the Master Remote Work Professional (MRWP), and more recently the Master Remote Work Leader (MRWL) Certificate. These programs seek to expand workforce opportunities in the remote workspace and offers a way for young professionals to live and work within their community where few home-grown employment options may be available. Companies in Utah with remote work capabilities are prioritized, but the program has placed local workers in remote opportunities throughout the nation.

To date the ROI program has trained 367 individuals between the MRWP and MRWL certificate programs, as well as placed seventy-nine workers in remote employment opportunities. These jobs are of much greater significance to smaller communities and the USU Extension estimates the total economic impact equivalent of placements within the FCEDD exceed 2500 new jobs on the Wasatch Front. Observed benefits of remote work expansion through the program are reductions in commuting time, the elimination of 3.4 metric tons of carbon emissions due to less miles driven, and most impressively an overall estimated 0.2% reduction in unemployment across the programs fifteen county service area. The ROI program received additional strategic funding of \$1.1 million via an EDA CARES Act Recovery Assistance Grant in 2021.

Programs such as the Rural Online Initiative, which have demonstrated successful implementation pose a tremendous opportunity for investment in human capital and rural workers. The ROI program, coupled with robust investment in broadband infrastructure would prove to be a powerful tool in combatting the lack of opportunity leading to brain-drain in rural communities. Southwest Utah contains an abundance of bright and capable individuals. Through planning and careful investment, local leaders can foster the environment for bright opportunities to retain these individuals.





Relief packages from the federal government such as the CARES Act have funded FCAOG's economic recovery and resiliency efforts, as well as this report. The \$1.9 trillion American Rescue Plan Act (APRPA) was the fifth major federal stimulus package which provided the U.S. EDA a historic \$3 billion allocation. The EDA developed six programs, referred to as Investing in America's Communities.

The EDA's suite of funding was introduced with the goal of responding to the economic impacts of COVID-19.

The Denver Regional Office, consisting of ten intermountain states including Utah, was allocated over \$100 million in available grant funding as well as the opportunity for states within the region to capture more than a \$1 Billion in competitive nationwide funds. This large overall funding total was intended to provide transformative investments while assisting communities to realize their strengths and promote community led economic development.



FCAOG economic development staff have worked continuously since the inception of these programs to encourage maximum utilization of EDA funds across the region. Staff assisted communities with ideation and conceptualization, initial project development, and eventual technical assistance in submitting competitive applications. Several communities have applied for funding under these programs including the Shivwits Band of Paiutes which applied under the Indigenous Communities Program for an innovative reservoir and power generation system that would provide sustainable power and over 50 high-paying jobs on reservation land.

Additionally, several promising regional projects focused specifically on workforce development. FCAOG staff assisted in development of the the Workforce Sector Upskill Placement Program (WSUPP) which was included in Talent Ready Utah's statewide workforce development system Good Jobs Challenge application. The program is a collaboration between Southwest Utah's institutions of higher education, key industry employers, and regional workforce service providers. The program's goal is to provide strategic support to the four critical sectors of healthcare, computer science, tourism and outdoor recreation, and the growing e-commerce space. All four industries have either suffered workforce fatigue and attrition during the pandemic or overall shortages of trained workers in recent years. Upon funding, the program has the capacity to train upwards of 300 workers annually with the potential to place all of them within the program's targeted critical industries. Extraordinary events such as a pandemic that lead to grant funding should not foretell a be-all or end-all situation for workforce development programs. Investments in innovative training approaches should be continuously strived for in order to stay abreast of the regions vigorous growth.



Threats

Severe and Sustained Shocks

Success over the pandemic period can partly be attributed to the difference in severity between the region's COVID-19 shutdowns and restrictions compared to neighboring states. Utah was notably one of seven states where a stay-at-home order was never put into effect. A statewide mask mandate was enacted, but a complete lockdown on commerce or travel was never initiated. The region's tourism industry was able to stabilize relatively quick and begin the recovery process within several months of the pandemic shock. Hard shutdowns on commerce were short-lived, and long-run restrictions largely saw businesses adapting rather than shutting their doors. Businesses were instead able to offer variations of normal service such as restaurants shifting to take-out or delivery, and moving dining outdoors. International travel, making up a sizeable portion of visitation to Southwest Utah's national parks and natural amenities, was halted for much of the pandemic. Visitors from neighboring states experiencing heavy COVID-19 restrictions flocked to the region. Zion National Park saw record visitation numbers of 520,000 in September 2020, exceeding 2019 figures and marking a meteoric reopening after completely shutting down in April and May.

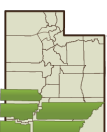
Numerous decisions statewide on the severity of COVID-19 restrictions paid off in the long-run economically. It is not always productive to debate hypotheticals as the threat of the unknown cannot be quantified. However, local leaders must remember that an ongoing worldwide pandemic that would touch the lives of every Utahn was unthinkable two years ago. Consider if the severity and duration of the pandemic was intensified. This would in turn lead to the necessity for longer shutdowns, more long-term restrictions, and drastically increased levels of hardship across sectors. This is aside from the inevitable increased loss of life, which is impossible to accurately put a price on, both economically and in regard to a community's health.

The 2020 FCEDD Comprehensive Economic Development Strategy (CEDS) references the FCAOG Natural Hazard Mitigation Plan (NHMP), which outlines the possibility of numerous natural hazards in the region as well as mitigation efforts for events including wildfires, earthquakes, floods, etc. During both the development of the CEDS and the last update of the NHMP Plan, a pandemic or widespread disease outbreak was neither considered a possibility or within the planning scope. The plans also had not accounted for a widespread and varied disaster that would last for years on end. Local leaders and the business community of Southwest Utah should address the vulnerabilities made apparent during the pandemic by investing in the previously mentioned opportunities that would foster long-range resiliency as well as considering the following response efforts.



During the pandemic response efforts were initiated sporadically and occurred in phases as more was learned about the nature of the disaster. A more prolonged or severe pandemic event as well as a natural disaster could introduce even more severe disruptions that sporadic responses would not address, posing a serious threat to economic security. The following are opportunities for area leaders to increase regional economic resiliency for another pandemic event or similar economic shock.

- Ongoing planning initiatives should be conducted at the local level to build area specific pandemic and economic shock response plans. Localities should work with the Southwest Utah Public Health Department, to apply existing and updated disease outbreak practices to their communities in a pandemic event. Consider compiling lessons-learned from each community into a database to inform future planning efforts.
- Coordinate with state and regional entities to identify critical equipment and materials necessary for an initial and prolonged disaster response. Materials include large allocations of personal protective equipment (PPE), and cleaning supplies.
- Robust and formalized lines of communication should be solidified between federal, state, regional and local entities to better coordinate the initial response to a future shock. Coordination and collaboration between leading entities is imperative to mitigate large disruptive shocks.
- Include area business leaders and support networks such as chambers of commerce and local rotary clubs in decision making regarding commerce to encourage community buy-in. Empower business support networks to excel in their role as information providers, conveners, and coordinators.
- Ensure local businesses utilize the regions network of support entities such as local Small Business Development Centers and the two Business Resource and Innovation Centers to expand their capacity and general business resiliency. These entities can help businesses develop robust internal controls, cash flow management procedures, enhance budgeting, and assist with succession planning.
- Encourage the development of business continuity plans which clearly lay out policies and procedures for responding to a disease outbreak, natural disaster, pandemic, or similar shock that leads to the disruption of normal business activities.
- Urge businesses to develop online, public-facing entities such as websites and social media pages that boost visibility and can quickly communicate disturbances to customers.



Drought

Drought is a recurring climate feature that is characterized by deficiencies in precipitation over time which cause disruptions of normal water usage. The FCEDD spans three climate areas, the Western, Southcentral, and Dixie Divisions which are all currently trending towards more frequent and severe drought periods. Considering the District's rapid growth and economic success, even throughout the pandemic, one may consider the region's potential limitless. However, the threat of prolonged and severe drought may prove to be a fundamental bound to economic growth.

In Utah, regions such as the FCEDD rely on snowmelt runoff which is stored in reservoirs to supply our communities during the dry summer months. Recent readings by the Utah Department of Water Resources in spring 2022 indicate that statewide snow water equivalent has peaked at 75% of the typical median level. As of the latest report from the Utah DWR, all counties within the FCEDD are either experiencing a severe or extreme drought pattern. Additionally, several reservoirs across the region are currently at record low capacity. The Minersville (30%), Upper Enterprise (17%), and Gunlock (54%) reservoirs are currently all at unseasonably low capacity.

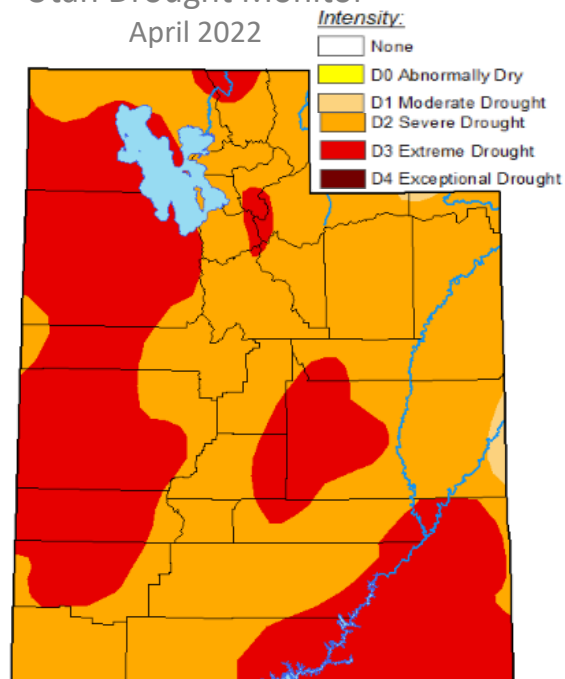
All county water conservancy districts within the region currently maintain conservation plans as well as contingency protocol for prolonged drought. These contingencies may soon come into play for residents as drought conditions are trending towards a criticality.

Several municipality's future drought mitigation plans rely heavily on the construction of the Lake Powell Pipeline, a \$2 billion-dollar public works project bringing water through Saint George which is currently in the federal permitting process. Water levels in Lake Powell have recently fallen to 24% of total capacity and have approached thresholds unsafe for power generation. Other options are being explored besides the Lake Powell Pipeline including boosting conservation, building additional reservoirs, and expanding reclaimed and secondary water capacities. Several municipalities across the District have issued guidance on commercial grass installation and inefficient landscaping, as well as moratoriums on new car-wash enterprises. These have been the firmest local mitigation measures to date as new residential drought ordinances remain minimal.

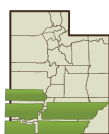
The current drought is one of the most glaring threats to economic vitality in Southwest Utah. A prolonged and severe drought leading to widespread water insecurity would be an extraordinary barrier to economic development, recovery, resiliency, and growth in the region.

Utah Drought Monitor

April 2022



National Drought Mitigation Center – Univ. of Nebraska-Lincoln, Brad Pugh CPC/NOAA 2022



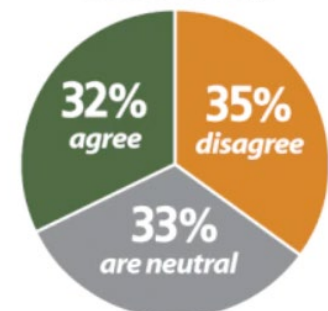
Varying Views on Growth

Vibrant growth in recent years has led to tremendous advancements in opportunity for area businesses, residents, and future generations. The recent population influx during the pandemic period stemming from neighboring states has brought new people with new ideas and priorities. New ideas foster innovation and the opportunity for advancement in growing communities. Regardless of where new Utahns have come from, we all share the commonality of calling this region home.

Upon consulting with regional leaders and stakeholders, it became apparent in smaller and more rural communities that there are mixed sentiments concerning growth. The question was often raised if economic development efforts were worth it if those efforts would change the fabric of the community. In these instances, it is easy to get carried away with anecdotal stories of small towns being overrun and transformed to the dismay of residents. Rapid growth can sometimes lead to an overheating effect where quantity of growth exceeds quality. These negative externalities, or “growing pains”, take the shape of increased strain on public infrastructure and amenities, traffic congestion, and even strain on local supply chains and services. These events are all negative in nature, but the good news is that they are all flows, rather than constants.

A 2021 study by Envision Utah found that 32% of residents are “more comfortable with development in other nearby cities or towns, but not in their own community”. The other two thirds of respondents were either neutral or disagreed with the notion. The study denotes the significant amount of Utahns who, while not in the majority, still harbor negative views on growth and development in their own communities. Amid the current widespread housing crisis, these issues are particularly troublesome as negative sentiments extend towards dense developments like townhomes, condominiums, and apartments. The survey expounds on this point as nearly half of respondents agreed with the statement that “some Utah communities should approve less housing in order to slow growth.” Attempts to curb growth, such as those mentioned above, are counterproductive to developing a healthy economic ecosystem with widespread opportunity. Additionally, employing strategies that effectively make an area less livable may establish a negative precedent and cause compounding regressive trends.

Are you more comfortable with development in other nearby cities or towns but not in your own community?



Envision Utah, Brigham Young University 2021

It is the responsibility of economic development practitioners and local leaders to quell these sentiments while steering growth in a community’s desired direction. Sustainable growth requires broad coordination and collaboration between economic development professionals, area leaders, and local stakeholders. If expectations are laid out, concerns are communicated effectively, and plans are made to alleviate pressure-points, the opportunity for negative sentiment to arise can be mitigated before it becomes an impediment to growth.

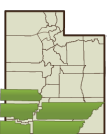


IV. Conclusion and Continuing Initiative

The effective implementation of opportunities and principles detailed in this plan requires a coordinated and collaborative effort. This plan aims to aid local leaders and economic development practitioners in building regional readiness by analyzing the economic impacts of COVID-19, evaluating the areas in which the region was most vulnerable, and suggesting opportunities for advancement. Continued partnership between the Five County Economic Development District and the communities it serves will prove essential in applying this plan's principles towards another economic shock. The plan recognizes that for the region to be successful in economic development endeavors, strong community partnerships must be established and built upon moving forward. Through planning and alignment of area-wide goals, Southwest Utah can develop a more robust, diverse, and resilient economic landscape.

The framework provided seeks to identify opportunities for regional growth while acknowledging several high-level threats that were made apparent during the pandemic or are currently facing the region. FCAOG economic development staff have been designated as key leaders to coordinate and facilitate unified economic development, recovery, and resiliency efforts continuing throughout 2022. A clear understanding of roles and responsibilities across jurisdictions is important, that is why staff will work continuously to facilitate connections between stakeholders. All entities involved in economic development must work together to achieve mutually agreed upon goals to ensure sustainable and desired outcomes are achieved in each community. Regional coordination has been identified as the foremost strategy for driving effective collaboration between federal, state, and local jurisdictions. FCAOG economic development staff remain dedicated to developing, assisting, and promoting activities that align with the identified principles in this plan. This ongoing initiative will work towards ensuring identified opportunities are seized upon in the effort to promote long-range economic recovery and resiliency in Southwest Utah.

Through planning and alignment of area-wide goals, Southwest Utah
can develop a more robust, diverse, and resilient economic
landscape





Beaver

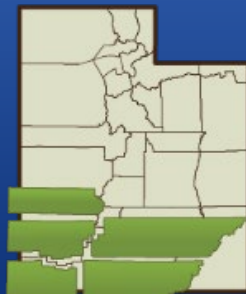
Garfield

Iron

Kane

Washington

Five County Economic Development District
Disaster Recovery and Resiliency
Economic Development Plan



2022