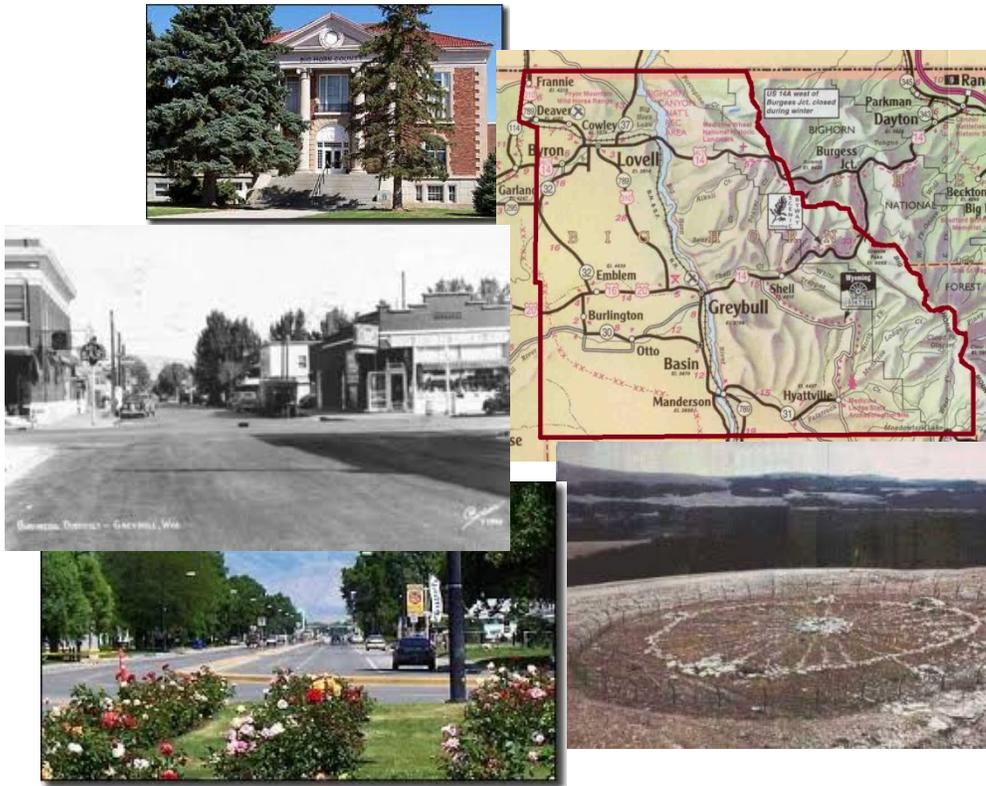


The plan was developed in part  
by a grant from the Wyoming  
Business Council.

Big Horn County has adopted this plan as  
resource for information and potential  
economic development efforts.

# Big Horn County Economic Development Plan



*January 2015*

Prepared by:

**Community Builders, Inc.**   
Community and Economic Development Consulting  
*"Building Communities - One Relationship at a Time"* **CBI**

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## EXECUTIVE SUMMARY

Big Horn County wants and needs to grow. Lovell, Inc./Grow Big Horn County and the Big Horn County Commissioners retained Community Builders, Inc. (CBI) to prepare a comprehensive economic development plan that is appropriate for the growth that residents and businesses in the area want for their future.

CBI conducted surveys and met with many community and business leaders. Nearly all surveys point to the strong need for organized and effective economic development services. Most survey respondents also have a good grasp of the problems their community faces.

In addition to community input, CBI analyzed the underlying demographic and economic trends in the county. CBI found that the population size of Big Horn County has not changed much in the last 100 years. This lack of population growth is negatively impacting the quality of life and housing. Additionally, CBI found that the area is highly dependent upon the agriculture and mining industries (which is not necessarily a bad thing). However, there is a clear need for finding a way to attract new residents and to diversify the local economy.

Based on community input and objective analysis, CBI developed this economic development plan. The plan builds on existing strengths, addresses weaknesses, seizes opportunities, and prepares the county to meet economic threats. The plan is organized according to the economic development building blocks that are promoted by the Wyoming Business Council (WBC, who is funding this project) and the Wyoming Economic Development Association (WEDA). Those building blocks include:

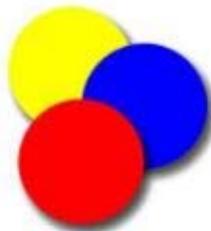
- Leadership/Civic Development/Public Policy
- Quality of Life
- Workforce Development
- Infrastructure Development
- Existing Business Development
- Entrepreneur Development
- New Business Recruitment

To lead the economic development efforts in Big Horn County, CBI recommends that a single economic development organization be empowered to act countywide. That organization might be a new organization, or an existing entity like Lovell, Inc. could be retooled to meet the need. Additionally, Big Horn County should consider pursuit of voter approval for an economic development excise tax of 0.25%, which would raise nearly \$500,000 per year for economic development purposes.

In addition to developing a countywide approach to economic development, this plan recommends that Big Horn County pursue a comprehensive series of goals and objectives, as follows:

- Leadership/Civic Development/Public Policy
  - Build awareness and support for economic development
  - Build foundation of trust and responsible development principles
  - Engage federal government to preserve PILT payments and to minimize impact of federal regulations
  - Form countywide EDC
  - Develop vision and leadership for future
- Workforce Development
  - Improve opportunities for higher education
  - Leverage Workforce Training Fund
  - Improve Housing
- Infrastructure Development
  - Awareness of shovel ready sites
  - Enhance telecommunications
  - Understand and support power/heat utilities
  - Pursue/engage Main Street program and principles
- Existing Business Development
  - Know the needs of existing businesses
  - Leverage all available resources to retain and expand businesses
  - Focus efforts on specific industries
- Entrepreneur Development
  - Leverage all known resources to support entrepreneurs
  - Initiate an Entrepreneur Challenge/Business Plan Competition
- New Business Recruitment
  - Identify specific business targets
  - Catalog and prepare resources
  - Prepare to market the community

If these recommendations are followed, Big Horn County has a good chance to sustain and grow its economy.



# Grow Big Horn County



## INTRODUCTION & PROCESS

Lovell, Inc./Grow Big Horn County is working with the Big Horn County Board of Commissioners to create a countywide strategic plan for economic development. Those organizations retained Community Builders, Inc. (CBI), a Wyoming-based consulting firm specializing in economic and community development to assist with the planning process. The goal of the plan is to identify effective ways to strengthen, diversify, and grow the county’s economy, including specific projects and programs for each community in the county.

The plan addresses each of the “building blocks” of economic development, as characterized by the Wyoming Business Council (WBC) and the Wyoming Economic Development Association (WEDA), as follows:

- Leadership/Civic Development/Public Policy
- Quality of Life
- Workforce Development
- Infrastructure Development
- Existing Business Development
- Entrepreneur Development
- New Business Recruitment

The building blocks are all important, but foundational issues need to be in place before reaching the top goal of new business development. In fact, many people misunderstand economic development and believe that it is only successful when it brings new businesses to the community. The reality is that all of the building blocks must be addressed, and only when all of the underlying blocks are in place can recruitment succeed. Thus, a good way to view the building blocks is in a pyramid shape, as shown in the following diagram.



By creating and implementing a local economic development plan with goals to address all of these building blocks, success can be appropriately measured across all efforts, not just business recruitment.

CBI began the planning project by working with Lovell, Inc. to identify community and business leaders throughout Big Horn County, inviting them to share their thoughts on economic development. CBI and Lovell, Inc. also invited elected officials (especially County Commissioners, Mayors, and Council members) to participate in the planning process.

In addition to collecting public input, CBI analyzed the demographic and economic conditions in Big Horn County. Based on the public input and its objective analysis, CBI identified the “best practices” of economic development that have worked well in similar situations. The draft plan was shared with Lovell, Inc., and then made publicly available for additional comment. The plan was finalized in December 2014.

## Public Participation Plan



CBI developed a Public Participation Plan that included multiple ways to assess and collect input from Big Horn County residents and businesses. The plan included public surveys, stakeholder surveys, interviews, public presentations at town council meetings and County Commissioner meetings, press releases, and similar efforts to encourage public participation.

### Interviews

CBI interviewed key decision-makers, business owners, and the general public. Through a number of targeted site visits and stakeholder interviews, CBI made efforts with Lovell, Inc. to achieve the CDBG planning grant goal of engaging at least 200 citizens and 40 businesses in the planning process.

### Surveys

CBI created online (and written) surveys for stakeholders and the community residents/workers. Twenty-three (23) stakeholder surveys and twenty-five (25) community surveys were completed. Although this survey was not intended to be a random sample with statistically accurate results, it did allow leaders and residents to share their thoughts. The compiled survey results are very consistent with the input that CBI received from the County Commissioners, Lovell, Inc., town councils, and the individuals who were interviewed.

## Review of Background Documents

To further understand the local economy, CBI reviewed several background documents related to this project, as follows:

- Current (and draft) Comprehensive Economic Development Strategy (CEDS), for the Big Horn Mountain Coalition Economic Development District
- Wyoming Rural Development Community Assessment reports for several communities
  - Big Horn County (2007)
  - Basin (2003 and 2011)
  - Burlington (2002)
  - Byron (2004)
  - Cowley (2003)
  - Deaver (2006)
  - Frannie (2003)
  - Greybull (2002 and 2013)
  - Lovell (2001)
  - Manderson (2005)
- Grow Big Horn County (2 and 6 year plan)
- Housing Needs Assessment for Lovell and Cowley (2010)
- Lovell Master Plan
- Burlington Community Development Plan
- Lovell Economic Development Action Plan
- Information regarding past and current economic development plans for the area (local efforts and Wyoming Business Council plans), including any regional plans
- Information about existing infrastructure and plans currently in the works for their expansion
- Reports from the Wyoming Community Development Authority (housing), the Wyoming Department of Workforce Services (employment), Wyoming Department of Revenue (sales and use taxes), U.S. Census Bureau (including American Community Survey), and other demographic/economic data sources
- Maps and charts of Big Horn County and the surrounding area

## GOALS AND OBJECTIVES

### Economic Development Organization

Big Horn County will need to address all of the economic development building blocks to grow the local economy. The top priority should be creation of the economic development organization (EDO) to lead the effort. The EDO will take the lead on most tasks, and will be accountable to stakeholders for success. Economic development is not easy, and success does not come quickly. Additionally, resources (money, talent, and time) are limited. Therefore, CBI recommends that Big Horn County seek to establish a single entity that will operate countywide.

The EDO should be developed and operated in a manner that can fully engage all stakeholders and potential partners. There is simply too much work to be done for any one organization or person to do it all. There are several entities that could or should be involved in economic development in Big Horn County, including municipalities, county government, Chambers of Commerce, and the economic development groups in Greybull and Lovell. Additionally, there are numerous individuals who are invested and/or leading targeted efforts to build their local economy in one way or another.

Based on CBI's interviews of community/business members, there are several obstacles that need to be addressed before economic development efforts in Big Horn County will be successful, including:

- Lack of understanding of the value of and need for economic development. This issue can be addressed with a persistent educational program that explains effective economic development (using the building blocks discussed above), and by setting realistic and achievable goals.
- A perception that Lovell, Inc. and Greybull's economic development efforts have been ineffective. This is a common perception in every community that actively pursues economic growth. It is best addressed with transparent decisions, accountability, and community involvement.
- Community divisiveness, including the North vs. South perception, turf issues, etc. Big Horn County needs to recognize that there are far more similarities than differences in the north and south regions of the county. Additionally, a countywide economic development program can be developed that includes flexibility to allow different communities to emphasize different goals and targets.

CBI recommends that Big Horn County take a broad, inclusive approach to economic development. All entities that have an interest in economic development should be invited to participate. To accomplish that goal, a new entity could be created with broad leadership representation from all municipalities, the county, businesses, and nonprofit organizations. To avoid having a leadership board with so many members as to be unwieldy, CBI recommends

that the organization have no more than twelve board members. Additional opportunities to engage and influence the organization can be created by use of advisory groups, ex officio members, funding agreements, and other interactive mechanisms.

There are multiple ways to create an effective economic development organization in Big Horn County. Three common methods include:

1. Modify and reorganize an existing entity (i.e., Lovell, Inc. dba Grow Big Horn County).
2. Form a new nonprofit organization. This new organization should be a corporation, and seek tax-exempt status as either a 501(c)(3) or 501(c)(6) organization. Most economic developers in Wyoming function as a 501(c)(6) organization.
3. Form a new Joint Powers Board with Big Horn County and any municipalities that wish to join.

In fact, some combination of these methods may result in additional success. For example, Lovell, Inc. has an established board and staff, which can shorten the time it will take to implement a countywide effort. However, formation of a new organization would allow economic development to gain a “fresh start,” which might help to address some of the negative perceptions about the current effort. Either of these first two options could include community and business leaders on the board of directors, who would operate the EDO as a private company.

In contrast, a Joint Powers Board is directed by appointees of the local governments that participate, and so it would be controlled and operated as a public entity. Because public entities must operate openly, they are generally not considered to be a good choice for an EDO. However, to the extent that a Joint Powers Board would control public funds (e.g., if an economic development excise tax were approved by voters), it can greatly enhance public trust in the overall effort. Thus, a combination of a private non-profit organization and a Joint Powers Board is a very effective approach to economic development. This approach is used in Natrona County and Laramie County.

### **Funding**

Economic development is not free. However, the cost of not doing economic development can be far greater in the long run. Perhaps the best way to consider funding for economic development is to view it as an investment that will pay dividends in the future. This investment will drive growth, but it may not provide a significant return in the short-term and it will never be self-sustainable. In that regard, it is more like saving for one’s retirement. However, the reality is that economic growth is needed if any community is going to survive, let alone enjoy a good standard of living in the future.

Funding for a nonprofit organization could be contributed by the communities that want to participate, perhaps on a population basis or some other agreed-upon formula. For example, an economic development budget of \$100,000 might be shared by several communities as follows:

<b>Example: \$100,000 EDO Budget, Shared by Population</b>			
<b>Community</b>	<b>Population</b>	<b>Percentage</b>	<b>Local Share</b>
Basin	1,285	11.0%	\$11,013
Burlington	288	2.5%	\$2,468
Byron	593	5.1%	\$5,082
Cowley	655	5.6%	\$5,614
Deaver	178	1.5%	\$1,526
Frannie	157	1.3%	\$1,346
Greybull	1,847	15.8%	\$15,830
Lovell	2,360	20.2%	\$20,226
Manderson	114	1.0%	\$977
Big Horn County	4,191	35.9%	\$35,919
<b>Total</b>	<b>11,668</b>	<b>100.0%</b>	<b>\$100,000</b>
<i>Per Person</i>	<i>1</i>	<i>0.00857%</i>	<i>\$8.57</i>

With any kind of shared funding, it will be helpful for each community to be given creative control over how they make their contribution. Some communities may wish to fund economic development out of their general fund; others may encourage private enterprise to make financial contributions on their behalf. Also, it is possible that leadership of the EDO could be weighted according to financial contribution, but it will be important also that all communities are somehow represented in the EDO's board of directors.

A second possibility for EDO funding is to seek a countywide economic development excise tax. Goshen County is the only place in Wyoming that has successfully implemented this funding strategy. By law, a county can seek to implement the tax up to 1% of all sales subject to excise taxes, in one-quarter percent (0.25%) increments. In Big Horn County, the minimum economic development tax (i.e., 0.25%) would generate nearly \$500,000 annually, based on an average of the previous five fiscal years sales in Big Horn County, shown in the following table.

<b>Example: Estimate of Potential Revenue from Economic Development Excise Tax (0.25%)</b>					
<b>Year</b>	<b>1% Sales Tax</b>	<b>1% Use Tax</b>	<b>1% Total Excise Tax</b>	<b>Total Taxable</b>	<b>Potential 0.25% Tax</b>
FY2010	\$1,223,887	\$338,183	\$1,562,070	\$157,784,848	\$394,462
FY2011	\$1,496,206	\$341,168	\$1,837,374	\$185,593,333	\$463,983
FY2012	\$1,650,709	\$382,681	\$2,033,390	\$205,392,929	\$513,482
FY2013	\$1,411,644	\$451,604	\$1,863,248	\$188,206,869	\$470,517
FY2014	\$1,509,038	\$1,024,691	\$2,533,729	\$255,932,222	\$639,831
<b>5-Year Avg.</b>	<b>\$1,458,297</b>	<b>\$507,665</b>	<b>\$1,965,962</b>	<b>\$198,582,040</b>	<b>\$496,455</b>

*Source: Analysis based on Wyoming Department of Revenue data.*

If an economic development tax was sought and received voter approval, CBI recommends that a Joint Powers Board be established to administer the funds. That Joint Powers Board could contract with the nonprofit EDO for operational needs and to implement economic development strategies.

The stakeholder survey completed as part of this project indicated that community leaders understand that every community in Big Horn County definitely needs comprehensive economic development services. Goals and objectives for each economic development building block are discussed below.

## **Leadership/Civic Development/Public Policy**



### **Goal**

Improve the quality of community leadership, engage residents in the future of each community, and create/implement public policy that supports economic growth.

### **Objectives**

In order to facilitate and sustain an effective economic development program in Big Horn County, it is not necessary for everyone to agree on everything. Rather, the critical goal should be to support appropriate economic growth where it is wanted. Equally important leadership goals should include informed and transparent decisions, recognition of the need for financial support, and a pro-business approach to policy.

To support these goals, the municipalities should continue their quarterly joint meetings. Better yet, the group might consider expanding the effort by regularly discussing progress of economic development goals. Communication is a great method to eliminate barriers (such as the perceived North vs. South divide), turf issues, and rash decisions. The group might also consider inviting a local business leader to attend each of the meetings, to briefly share his or her business perspective on local issues.

The perception that government regulations interfere with business growth will probably never go away. The municipalities could, however, engage in a thorough review of development costs, fees, and codes. The Cheyenne Chamber is currently conducting such a project. The goal should be to streamline regulations and minimize cost, while maintaining appropriate control

over potential industry abuses and conducting government business in a responsible manner that does not unduly burden residents with taxes.

Likewise, the concerns expressed by Agenda 21 believers may be without foundation. However, the sentiment is real and it needs to be addressed by local leaders. Good decisions require good planning, which in turn require community involvement. If local residents feel disenfranchised, they are more likely to believe in Agenda 21 and similar anti-planning causes.

Like many rural communities, it is difficult to find experienced leaders who are willing to serve in local government. Those who do get elected need the full support of community and business leaders. To accomplish that goal, local governments should be engaged in local Chambers of Commerce and other organizations. Additionally, elected leaders should be enabled and encouraged to obtain necessary training from appropriate organizations such as the Wyoming Association of Municipalities (WAM), Wyoming Association of County Officers (WACO), Wyoming County Commissioners Association (WCCA), National League of Cities (NLC), and similar organizations that support local elected leaders.

In order to sustain any economic development program, it will be important that the program leaders (staff and board) continually educate elected leaders about economic development and the value of growth. Repetition of the principles and building blocks of economic development, as well as an ongoing dialogue about the role of local government, will be necessary. Additionally, regular communication with the general public (through news releases, public presentations, and outreach efforts) and accountability for actions will go a long way to generating support for economic development.



## Quality of Life



### Goal

Enhance the quality of life in Big Horn County, creating a vibrant community for families to live and work.

### Objectives

Big Horn County has a lot going for it, especially for those residents who love outdoor recreation, mountains, and Western culture. Communities are safe and friendly, and to that extent, it is a great place to raise a family. Nevertheless, it can do better.

One area where several economic goals coincide is tourism and travel development. The travel and tourism market that is traveling to and through Big Horn County is very large. There is an immediate need to expand restaurant and lodging offerings to tap more fully into this market. At the same time, more options would be developed for local residents who want to eat out. Likewise, enhancement of tourism assets like Big Horn Lake, the Pryor Mountain Wild Horse area, recreational businesses and museums would broaden the range of “things to do” for local residents.

Some other new developments will enhance the quality of life in Big Horn County. The indoor facility at the fairgrounds, a new middle school in Greybull, and opportunities to develop new subdivisions will contribute to the sense of growth and vitality.

It will be important that Big Horn County continue to embrace exactly what it is: An awesome rural community that loves its lifestyle. As needed, protections for the environment and continued efforts to maintain the safety of local communities should be made to protect these valuable attributes.

## Workforce Development



### Goal

Develop the skills and wages of local workers, attract new workers to the community, and provide necessary support for the local labor force.

### Objectives

Most Big Horn County youth are taking education seriously, staying in school, and pursuing higher education degrees. The area is also enjoying a decreasing unemployment rate, perhaps because of its good work ethic and low wages. However, an economic development program should seek to increase educational attainment and incomes. Accordingly, leaders may need to make special efforts to increase the presence of Northwest Community College and the University of Wyoming in Big Horn County.

Another resource that is available (with some work) to strengthen the workforce is the Wyoming Workforce Development Training Fund. Many economic developers in Wyoming work with local community colleges and other trainers on a business-by-business effort to improve worker skills and productivity. The fund allows employers to subsidize their training efforts. Often, with better skills, employers can afford to pay workers more. However, to initiate the training, many employers need direct assistance from economic developers, which means economic developers need to be asking if businesses want assistance.



Another issue that cuts across several goals is housing. Without adequate temporary housing, it is very difficult to attract new workers into any community. Many employees want to rent a place when they first move to a new community, and purchase only when they have made an informed decision as to where they want to live. At that time, it is also important that a range of housing options be available – existing housing, historic housing, new housing, small homes,

big homes, high-end homes, multi-family units, etc. Yet, most Big Horn communities have very limited rentals, and most homes were built before the 1970s. The new homes being built in Cowley are an excellent example of how housing can encourage and support growth. To replicate that effort, each community will need to identify ways that it can support new housing development. Minimizing development costs (while requiring developers to “pay their own way”), identifying appropriate areas for development, implementing fair building and subdivision codes, and flexible development procedures are all important.



## Infrastructure Development



### Goal

Develop infrastructure – including roads, water/sewer, power, telecommunications, and other core enabling mechanisms – to support and grow the local economy. This effort may include development of shovel-ready sites.

### Objectives

Big Horn County has good roads, excellent telecommunications, and the utility capacity to grow. Commercial air service is non-existent, and so it will be important to support Cody’s efforts to maintain commercial air service there. With most transportation issues, Big Horn County (like everyone else) is at the mercy of federal funds. There may never be an Interstate highway built in Big Horn County, and commercial airport service seems to be further restricted in Wyoming with each passing day. Accordingly, Big Horn County should not target its

economic development efforts on industries that rely heavily on such transportation infrastructure.

Instead, Big Horn County should focus on its infrastructure strengths, such as telecommunications and electric power. In fact, with this infrastructure, Big Horn County is actually better off precisely because of its rural (some might say remote) nature. Data centers, in particular, prefer to locate in under-populated areas that have redundant fiber lines and abundant/cheap power. Big Horn County is strategically located in a corridor that brings Front Range connectivity to the Pacific Northwest. Incidentally, fiber connectivity and cheap reliable power infrastructure are also critically important to help existing businesses keep up with the increasingly competitive global marketplace. Therefore, telecommunications and power capacity should remain at the forefront of infrastructure development in Big Horn County.



Big Horn County has several historic downtowns and neighborhoods. Yet, there are no Main Street Communities in Big Horn County. The Wyoming Main Street program is currently accepting applications for entry into the program, which could help guide efforts to preserve and grow the downtown districts in several communities.

There is an abundance of industrial land in Big Horn County (i.e., industrial land valued at \$20 million). Based on interviews and observation, it would appear that some of this land was previously developed but has fallen into disuse. Thus, it is possible that some of the infrastructure necessary for future development is already in place. If so, that existing infrastructure could save considerable money and time to create “shovel ready” sites that could then be used to entice new and expanding businesses to build new facilities.



## Existing Business Development



### Goal

Help existing businesses to retain and add jobs, increase wages, create new products/services, and expand into new markets to build wealth and grow the local economy.

### Objectives

Most economic growth comes from existing businesses. Most people miss that fact. The reality is that job growth, income growth, and a growing tax base is almost exclusively driven by existing businesses that are expanding. Instead of grasping that reality, many economic development programs expend too many resources (and are expected) to recruit new business. Big Horn County cannot afford to make that mistake.

While building on existing businesses does not prioritize economic diversification, business expansion and retention should be the primary focus of Big Horn County's economic development efforts. Existing strengths – like agriculture and mining – will continue to drive the economic engine. Assistance with development of new products and new markets will help add jobs. There are a number of programs and best practices available to provide this assistance, but most community and business leaders do not have sufficient time to engage these programs. An economic development program could provide the needed time and assistance.

In particular, Big Horn County should focus its special efforts that are targeted to help key industries grow, including the following efforts:

### Agriculture

- Work with University of Wyoming, Wyoming Dept. of Agriculture, Wyoming Business Council, and U.S. Dept. of Agriculture/Rural Development to support value-added agriculture products, organic foods, and local markets

- Support the Food Hub effort

### **Mining**

- Support mining industries' efforts to improve condition and safety of highways
- Understand new shale/oil drilling initiatives and be prepared as necessary for boom/bust cycles
- Engage bentonite production ownership to understand and react to any implications of new ownership
- Mineral extraction can only happen where the natural resources exist, and there are many local opportunities

### **Utilities**

- Coordinate development issues with local utilities, and try to streamline development review time
- Know the cost and local capacity of all local power stations and natural gas lines

### **Construction**

- Make efforts to encourage licensing of all contractors, coordinated with local ordinances
- Keep contractors informed of potential development opportunities

### **Manufacturing**

- This is a growing industry for Big Horn County, and it brings money into the county by producing and exporting goods!
- Interview every known manufacturer to make sure you know what they need
- Provide support as needed, but otherwise keep hands off

### **Retail Trade**

- Address retail leakage issues by implementing a shop local campaign, working with local Chambers
- Assist retailers with marketing, planning, and expansion
- Encourage sale of specialty products such as locally produced items and agriculture products

### **Accommodation and Food Services**

- Big Horn County has abundant tourism opportunities
- Interview every existing restaurant owner to identify their needs and obstacles to growth
- Support existing marketing efforts of businesses and organizations (e.g., Chambers)
- Support façade improvements following historic preservation principles (where applicable)
- Work with the Wyoming Restaurant and Lodging Association to identify appropriate actions to help grow this industry
- Consider conducting a county-wide tourism assessment

## Entrepreneur Development



### Goal

Assist local entrepreneurs and innovative businesses to start new businesses, add jobs, develop new products and services, and grow the local economy.

### Objectives

Wyoming is frequently identified as a great place to start a new business. Low/no taxes, affordable labor, cheap utilities, minimal regulations, efficient government, and other business attributes are cited as factors that support a favorable business climate. However, those things are not enough to spur new business start-ups in most Wyoming communities. Targeted efforts may additionally be necessary for success.

In Big Horn County, specialized training, incentives, and intentional use of existing resources will be needed for entrepreneur development. Lovell, Inc. already owns an entrepreneurship training program for youth – it could easily be adapted for adults. Manufacturing-Works and Wyoming Small Business Development Centers offer a variety of training programs and workshops that would help prepare entrepreneurs for success. Additionally, there are existing facilities in Lovell and Greybull (and other communities) that could be offered for reduced rent to entrepreneurs. Finally, efforts to initiate a Big Horn County Entrepreneur Challenge may embolden an



entrepreneur to create a great business plan and get a new business started. An Entrepreneur Challenge is a business plan competition, with the winner being awarded a package of local business goods and services to help them get started. (Note: A typical award package includes donated time from a CPA and/or attorney, a reduced interest rate loan from a bank, reduced cost office supplies from a local retailer, etc. In the past, the Wyoming Business Council sponsored these Challenges, and provided a cash award to the winner as well).

## New Business Recruitment



### Goal

Recruit new businesses and industries to locate in Big Horn County.

### Objectives

New business recruitment is not possible unless all of the other economic development building blocks are present and functional. Even then, Big Horn County will only be successful in recruiting businesses that are appropriate for the local economy. At a minimum, this means a targeted company must:

- Be appropriately sized (probably between 5 – 20 workers, depending on the community)
- Be able to hire a trained workforce
- Be located near any necessary raw materials or resources (especially if the company is an agriculture, construction, utility, mining or manufacturing company)
- Be able to operate at a profit (key business expenses include rent/purchase costs, wages, materials costs, utilities, taxes, etc.)
- Be able to reach its sales market (whether that be consumers, wholesalers, exports or whoever; includes transportation/telecomm expenses)

New business recruitment is the primary method for diversifying the local economy. However, it can affordably be accomplished with existing assets. Economic developers should create and maintain an inventory of existing facilities and readily developable sites. Many companies looking to move want a building ready for them (such as the former Forest Service building in Lovell). At a minimum, potential recruits want a building site that already has all the necessary infrastructure in place (i.e., roads, water, sewer, gas, telecommunications, etc.). A clear timeframe and an accurate estimate for development costs can be critically important.

To attract new businesses, Big Horn County needs to promote its uniqueness. It may be helpful, for example, to develop a Big Horn County brand that identifies its rural, Western culture, history, geography, or whatever will attract the attention of potential recruits. Given the relative small size of Big Horn County (compared to competing communities), it may be best to develop a single marketing message for the entire community, if that can be done without sacrificing the uniqueness of appeal.

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### **Most Appropriate Recruitment Targets for Big Horn County**

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- *Tourism and Travel Industries*
  - *Retailers*
  - *Manufacturers, especially value-added agriculture or natural resources*
  - *Support activities for mining*
  - *Specialty trade contractors*
- 

Based on analysis of available objective data and input from community/business leaders, the most appropriate recruitment targets for Big Horn County include the following:

- Tourism and Travel Industries, including industry subsectors of Food services and drinking places; Accommodations; and Amusements, gambling, and recreation
  - Retailers to restrict retail leakage, especially: Electronic Shopping & Mail-Order Houses; Department Stores Excluding Leased Depts.; and Other Motor Vehicle Dealers
    - Manufacturers, especially those that add value to local agriculture products or natural resources that are locally extracted (such as bentonite)
    - Support activities for mining, as needed
    - Specialty trade contractors, as needed



## PLAN OF ACTION

The following pages contain a matrix, arranged according to economic development building blocks, for taking action on this plan. Every community in Big Horn County can be working on these goals. Where appropriate, projects that are specific to a particular community are noted.



<b>Goal: Leadership/Civic Development/Public Policy</b>					
<b>Objective:</b> Engage community, build awareness and support for economic development					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Promote economic development at quarterly Mayors' meetings	Brief discussion at every meeting (stress importance of gathering input)	Short and Mid Term	EDC leaders, WBC Regional Director	WBC and WEDA support materials	Consensus of at least 7 municipalities and county to support economic development
Create support for PILT payments, and provide support for federal land development	Sustainable revenue stream; developable land	Mid to Long Term	EDC leaders, industry leaders, Municipalities and County government; local federal leadership	Industry support, NACO	Increased PILT payments; minimal new federal regulations
Promote economic development at local Chamber, Rotary, and other meetings	Brief discussion at every meeting (encourage input and feedback)	Short and Mid Term	EDC leaders, WBC Regional Director	WBC and WEDA support materials	Formal support from all Chambers and consensus support from other organizations
<b>Objective:</b> Build foundation of trust and responsible development principles					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Review and streamline local codes and processes for development	Revised ordinances and processes	Mid to Long Term	Municipalities and County government	WEDA, WACO, WCCA. WBC might fund project.	Reduction in codes and length of development time
Improve communication methods as needed	Better civic engagement and transparency (need an ongoing public discussion)	Mid to Long Term	Municipalities and County government; media.	Web-based communication, newsletters, media	Increased transparency of decisions and processes.
<b>Objective:</b> Form countywide EDC					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Create nonprofit entity	Establish legal organization; name members of Board; adopt plan	Short Term	Lovell, Inc./Grow Big Horn County, Greybull economic development group, municipalities and county government	This plan; potential funding from USDA/Rural Development - Rural Business Enterprise Grant	Preparation and filing of all necessary forms; Completion of first Board meeting
Secure funding	Upon final decisions of all players, establish a 3-5 year budget and request funding	Short Term	WBC, municipalities, county, perhaps private members and corporations	Municipal and county funding (establish a funding formula)	Adequate funding secured

**Goal: Leadership/Civic Development/Public Policy**

**Objective:** Develop vision and leadership for future

Action	Outcomes	Timing	Players	Resources	Measures
All Communities, including DEEVER, EMBLEM, FRANNIE, OTTO, SHELL	Creation of a locally-supported vision that includes economic growth (critical that local leaders continue to share their thoughts, hopes & desires)	Short to Mid Term	Towns, WBC	Local facilitator, leadership resources	Clear vision for growth

<b>Goal: Quality of Life</b>					
<b>Objective: Grow tourism and travel industry</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Engage existing restaurants and lodging to identify growth needs	Identification of obstacles to growth and expansion	Mid Term	EDC leadership	Coordinate with Synchronist Surveys (WBC)	Complete surveys of all existing restaurants and lodging establishments
<b>Objective: Continue support for local lifestyle</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Support development of new community facilities	More opportunities and things to do	Mid to Long Term	EDC Leaders, municipalities, county, school districts, special districts	Public and private funds	Development of new community facilities
Support health services and law enforcement	Healthy, safe communities	Long term	EDC Leaders, municipalities, county, hospital districts	Public and private funds	Reduction in crime; improvement of health status/statistics
BASIN - fairgrounds expansion	Improved county fair	Short to Mid Term	County, Fairgrounds Board	County/Fairgrounds, volunteers	Value of improvements
COWLEY - Youth sports complex and tournament attraction	More opportunities and things to do	Mid to Long Term	Mayor and Council, youth organizations, volunteers	WBC Community Enhancement grant, private contributions	Youth involvement, hosted tournaments
HYATTVILLE - community center use and promotion	Community facility for local activities	Mid Term	Town Council, local organizations	Private contributions	Increased number of local hosted events

<b>Goal: Workforce Development</b>					
<b>Objective: Improve opportunities for higher education</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Create and/or support local workforce development group	Better connections and collaborative efforts to improve workforce; better workers	Mid to Long Term	EDC leaders, Wyoming Dept. of Workforce Services, Northwest Community College, Univ. of Wyoming, public schools	DWS and WBC funds, public and private investments	Specific training programs for workers and businesses; higher wages; less underemployment
<b>Objective: Leverage Workforce Training Fund</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Develop program to connect businesses to training fund	Better worker skills; leveraged funding	Short to Long Term	EDC leaders, DWS, business & industry owners and managers	DWS funds, matched in part by private dollars	Number of workers who receive certified training; amount invested in workers
<b>Objective: Improve Housing</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Host a community gathering to discuss housing options	Better awareness of needs and opportunities	Mid to Long Term	EDC leaders, residential construction firms, utilities, bankers, realtors, employers	EDC leadership	Identification of top needs and opportunities
Create housing improvement program	Preservation and improvement of existing housing	Long Term	EDC leaders, municipalities, contractors	WCDA guidance (funding?), USDA and other federal housing funds	Increased value and usefulness of existing housing
Implement streamlined development codes and processes	Consistent and responsible housing development	Long Term	EDC leaders, municipalities, contractors	Private investment (purchases), bank loans and guarantees, USDA	New housing
GREYBULL - housing and subdivision developments	More housing choices	Long Term	EDC leaders, Town, private developers	WBC infrastructure grants, private investment	New housing
HYATTVILLE - energize housing development to the north; explore and resolve water issues	More housing choices	Long Term	EDC leaders, Town, private developers	WBC infrastructure grants, private investment	New housing

<b>Goal: Infrastructure Development</b>					
<b>Objective: Awareness of shovel ready sites</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Prepare list of all known commercial and industrial land/buildings that is available for development	Dynamic list of current properties	Short to Mid Term	EDC leaders, WBC	County Assessor data, real estate brokers, property owners	Detailed inventory of developable sites
Identify site(s) for development as designated industrial zones and/or business parks	Preparation of sites that are ready for construction	Mid to Long Term	EDC leaders, WBC	WBC Business Ready Communities funding	Business/Industrial Park(s)
BYRON - existing school facility	Increased use of community facility	Mid to Long Term	EDC leaders, WBC, school district	WBC, local investment	Increase social and business activity
COWLEY - street paving and resurfacing	Better roads	Mid to Long Term	Town, WYDOT, WBC	WYDOT, WBC	Value of road improvements
GREYBULL - industrial railroad projects and possible trans-load facility	Increased use of rail facilities	Long Term	Town, BN railroad, WBC, local businesses	BN, WBC, Town match	Value of railroad improvements, increase in shipping volume
GREYBULL - determine best uses for airport; extend water line to it?	Improved use of existing facility	Long Term	EDC leaders, WBC, Mayor and Council, County	Town, WBC, Wyoming Water Dev. Comm., airport	Increased use of facility
MANDERSON - flood control measures	Elimination or mitigation of flooding consequences	Mid to Long Term	Town, County, Army Corps of Engineers	Town, County & State flood programs	Reduction in flood damage
<b>Objective: Enhance telecommunications</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Update fiber/telecomm study to identify capacity	Identify opportunities for new tech firms	Mid to Long Term	EDC leaders, WBC	WBC funding	Detailed inventory of telecomm assets; options for growth
Improve "last mile" broadband connectivity	Better telecommunications	Mid term	EDC leaders, elected leaders, TCT West	TCT West; regulatory requirements; Connect America Fund; USDA funding	Faster and cheaper telecommunication service

<b>Goal: Infrastructure Development</b>					
<b>Objective: Understand and support power/heat utilities</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Obtain existing studies (or conduct new study) of power capacity throughout county	Determine power capacity for current and future needs	Long Term	EDC leaders, WBC, utilities	WBC funding, utilities	Detailed inventory of power capacity; options for growth
<b>Objective: Pursue/engage Main Street program and principles</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Embrace National Main Street principles	Sustainable downtown districts	Short to Long Term	EDC leaders, Wyoming Main Street, National Main Street	WBC/Main Street	Communities join Wyoming Main Street program; national principles implemented

<b>Goal: Existing Business Development</b>					
<b>Objective: Know the needs of existing businesses</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Create a business expansion and retention program	Economic stability and growth	Top priority; Short to Long Term	EDC leaders, business and industry leaders	WBC, Synchronist survey	Increased awareness of economic development priorities; commitment to local businesses
Interview existing businesses	Better awareness of local businesses' needs	Short to Long Term	EDC leaders, business and industry leaders	WBC, Synchronist survey	Number of businesses interviewed/visited; specific efforts to solve problems
<b>Objective: Leverage all available resources to retain and expand businesses</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Engage other resources to help existing businesses	Collaborative and comprehensive effort to grow local economy	Mid to Long Term	EDC leaders, WBC, USDA, EDA, Manufacturing-Works, Univ. of Wyoming programs, Northwest Community College, etc.	Each player brings resources to the table that can be leveraged	Leveraged funding; new jobs; higher wages; new products and services
Develop micro-loan program	Financial support for expansion	Mid to Long Term	EDC leaders, WBC, USDA, local banks	Local banks, revolving loan funds	Increasing amount of financial assistance for expanding businesses
BURLINGTON - gun manufacturer expansion project	Business expansion and retention	Short to Mid Term	EDC leaders, WBC, private business	WBC	Increased production and sales

<b>Goal: Existing Business Development</b>					
<b>Objective: Focus efforts on specific industries</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Support Agriculture industry	Industry-specific growth programs; successful Food Hub/value-added programs	Short to Long Term	EDC leaders, Wyoming Dept. of Agric., USDA, WBC, Food Hub project leaders	USDA, WBC funding and tradeshow assistance	Increased production; increased value of products; better market connectivity, etc.
Support Mining industry	Industry-specific growth; improved highways; preparation for economic changes	Mid to Long Term	EDC leaders, WBC, industry leaders	WBC funding and tradeshow assistance; private investment	New jobs; higher incomes; new products; economic diversification
Support Utilities industry	Industry-specific growth; inventory of capacity; shorter development times	Mid to Long Term	EDC leaders, WBC, industry leaders	WBC funding; private investment	Quicker development times; readily available utility info
Support Construction industry	Industry-specific growth; licensing of contractors	Short to Long Term	EDC leaders, contractors, municipal & county building departments (if applicable)	Municipalities and contractors	Consistent quality and construction opportunity
Support Manufacturing industry	Industry-specific growth; multiplier effect of primary jobs	Short to Long Term	EDC leaders, WBC, manufacturers, Manufacturing-Works	WBC, Manufacturing-Works, private investment	New jobs; higher wages; new products; new markets; economic impact
Support Retail industry	Industry-specific growth; address retail leakage	Short to Long Term	EDC leaders, retailers, WBC	WBC, USDA funding	Increased sales; new products and services; less leakage
Support Tourism & travel industries	Industry-specific growth; tap into mobile market; improve quality of life	Short to Long Term	EDC leaders, restaurant and lodging owners, attractions	WBC and USDA funding; WBC tradeshow assistance; WLRA guidance and support	New jobs; increased sales; less leakage
Develop new products and services for existing businesses	Growth and expansion	Mid to Long Term	EDC leaders, existing businesses	WBC tradeshow assistance, Manufacturing-Works, Wyoming SBDC	Increased sales; more jobs
Assist existing businesses with elimination of waste and inefficiency	Stronger businesses	Mid to Long Term	EDC leaders, existing businesses	Manufacturing-Works Lean Training and consulting services	Minimal waste, increased efficiency and productivity of workers/resources

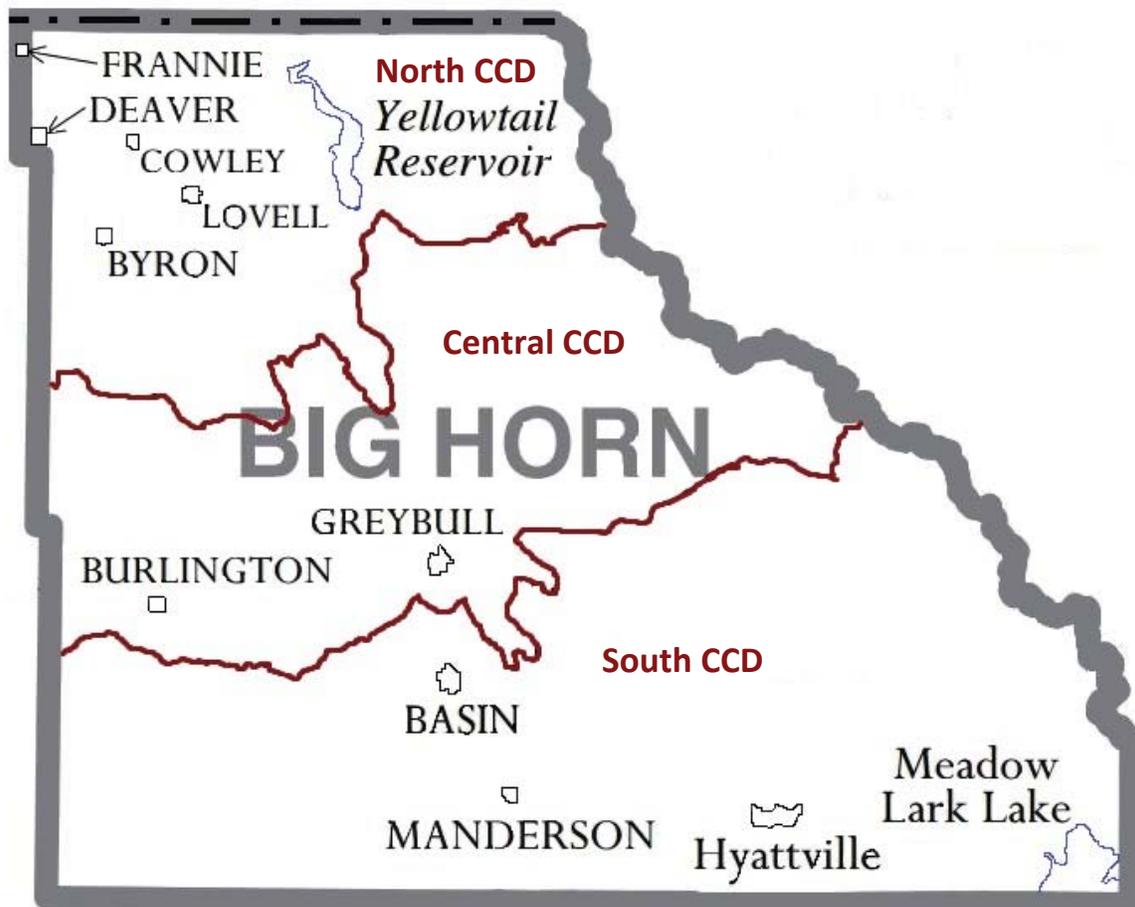
<b>Goal: Entrepreneur Development</b>					
<b>Objective: Leverage all known resources to support entrepreneurs</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Develop entrepreneurship program	Collaborative and comprehensive supports for entrepreneurs	Mid to Long Term	EDC leaders, WBC, USDA, UW support programs, entrepreneurs	WBC and USDA funding, UW support programs	New business start ups; new jobs; new products and services
Provide entrepreneurship training	More knowledgeable decisions	Short to Long Term	EDC leaders, entrepreneurs, perhaps Northwest Community College	Entrepreneurship curriculum; WBC funding	Better business plans; better decisions
Develop an investor/venture capital program to provide seed money for new ventures	Financing availability	Mid to Long Term	EDC leaders, WBC, UW incubator	WBC and USDA funding, UW support programs	Increased financing available to entrepreneurs
GREYBULL - incubator facility	New business start-ups	Short to Mid Term	EDC leaders, WBC, UW incubator, Town	WBC and USDA funding, UW support programs	New business start ups; new jobs; new products and services
LOVELL - incubator facility	New business start-ups	Short to Mid Term	EDC leaders, WBC, UW incubator, Town	WBC and USDA funding, UW support programs	New business start ups; new jobs; new products and services
<b>Objective: Initiate an Entrepreneur Challenge/Business Plan Competition</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Sponsor an Entrepreneurship Challenge	Increased awareness and excitement about entrepreneurship	Mid to Long Term	EDC leaders, local business community, WBC	WBC funding; investment of local business community; entrepreneurs	Better business plans; investment in entrepreneurs

<b>Goal: New Business Recruitment</b>					
<b>Objective: Identify specific business targets</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Develop consensus on companies and industries to be targeted	Collaborative approach to recruitment decisions	Long Term	EDC leadership, community leaders, funding partners	WBC	Final identification of targeted industries and companies
Gather knowledge and identify connections to each industry	Focus recruitment on tourism & travel, retail leakage, manufacturing, mining, and specialty trade contractors	Long Term	EDC leadership, community leaders, funding partners	WBC, industry leaders	Specific plan to contact and recruit targeted industries and companies
COWLEY - water bottling plant	New product/sales	Mid to Long Term	Town, EDC leaders, WBC	WBC, private investment	New jobs and sales
<b>Objective: Catalog and prepare resources</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Create and maintain inventory of existing facilities and vacant (developable) land	Improved readiness to respond to new business leads	Mid to Long Term	EDC leaders, WBC, realtors, business property owners	WBC and existing public resources	Comprehensive inventory of commercial and industrial land/facilities
<b>Objective: Prepare to market</b>					
<b>Action</b>	<b>Outcomes</b>	<b>Timing</b>	<b>Players</b>	<b>Resources</b>	<b>Measures</b>
Sponsor effort to develop a unique marketing message for economic development	Collaborative effort to identify Big Horn County's value and uniqueness	Long Term	EDC leaders, community and business leaders	WBC, WEDA, others?	Consensus on marketing message for Big Horn County
Develop multi-pronged marketing effort tied to core message	Coordinated marketing with printed materials, web-based tools, and other media	Long Term	EDC leaders, municipalities and county, nonprofit organizations	WBC, Wyoming Tourism, USDA	Effective media campaign to push core marketing message
Engage recruitment partners	Collaborative efforts to encourage business relocation	Long Term	EDC leaders, WBC	WBC tradeshow assistance and site selector contacts, etc.	New business recruitment

## DEMOGRAPHIC PROFILE

The population counts, estimates, and forecasts provided in this demographic profile are based on data generated by the Wyoming Department of Administration & Information, Economic Analysis Division, and the U.S. Census Bureau. This information is accurate, readily available, and used by many agencies and organizations, especially for understanding and comparing local economies.

Big Horn County is not uniform in all aspects – including demographics, economics, social, and housing characteristics. For political and other reasons, many Big Horn County residents sometimes refer to a “North – South” divide of the county. There are, in fact, a few differences between the north and south areas of the county. However, some perceived differences are not actually present. Rather than perpetuate a false distinction – and to avoid an arbitrary North-South county division – this profile will instead compare and contrast various demographic information using established Census County Divisions (CCDs) created by the U.S. Census Bureau. The U.S. Census Bureau has created three CCDs in Big Horn County (North, Central, and South), as shown in the following map.



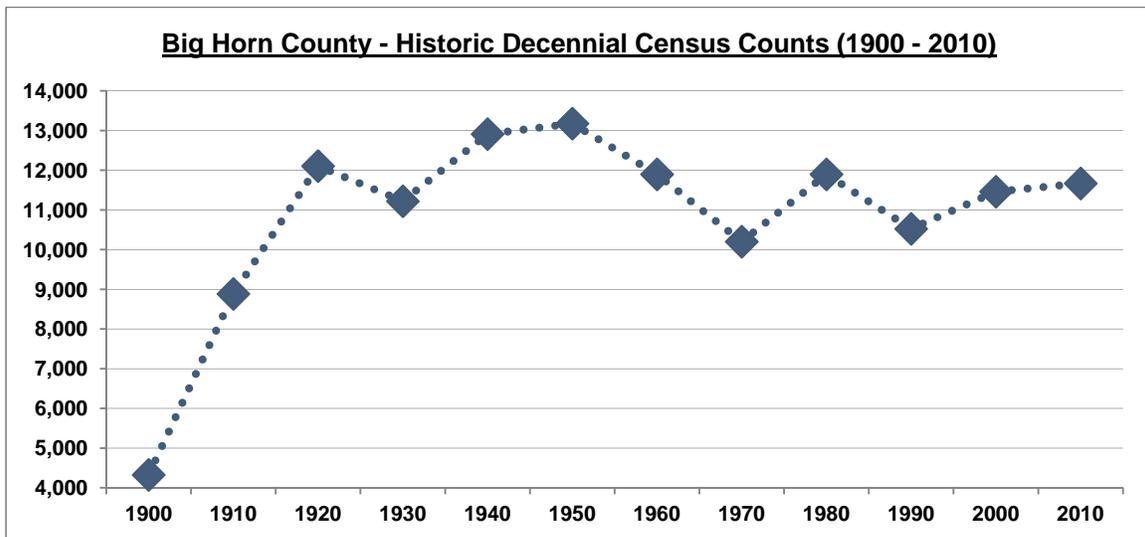
*Source: Map based on U.S. Census Bureau map, edited by CBI.*

For small or rural areas, such as the three CCD's in Big Horn County, the most current and helpful information about demographics and economics is found in the American Community Survey (ACS). The ACS is part of the U.S. Census Bureau's Decennial Census Program. It is a survey sent to a small percentage of people on a rotating basis. The ACS collects detailed information about many characteristics of the local population, economy, and housing. Similar information was previously collected in conjunction with the decennial census (via the "long form" census). Since the ACS is conducted every year, rather than once every ten years, it provides more current estimates throughout each decade, using 5-year rolling averages. The most current ACS data are the estimates based on survey data from 2008 to 2012.

## Population

### Size

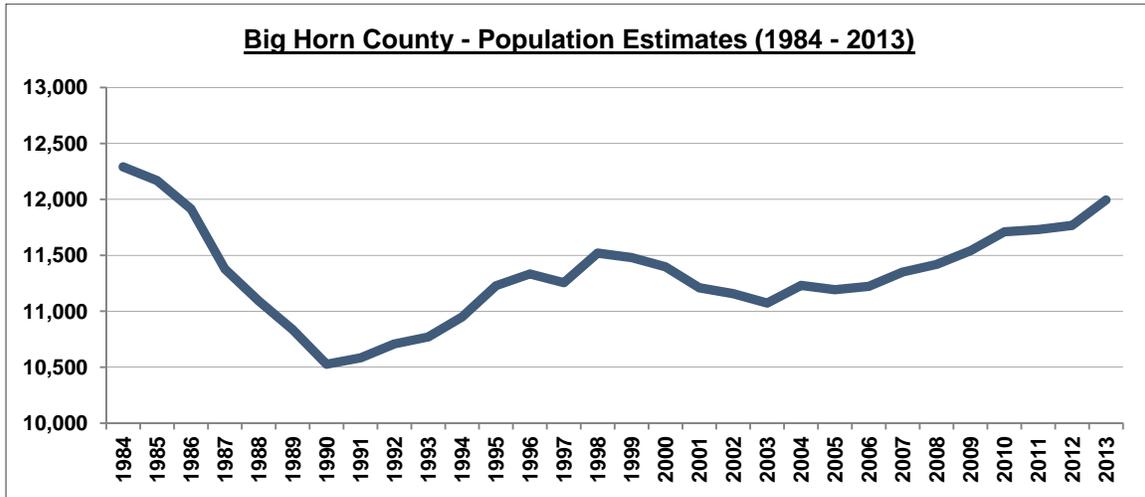
Historically, Big Horn County's population has been stable, if not stagnant. Give or take 1,500 residents, the county's population has averaged about 11,700 people for the last 100 years or so. Since 1920, the decennial census peaked in 1950 (13,176 residents) and reached its lowest point in 1970 (10,202 residents). The following graph illustrates the total population in Big Horn County as of each decennial census, since 1900.



Source: Chart created with data from Wyoming Department of Administration & Information, Economic Analysis Division.

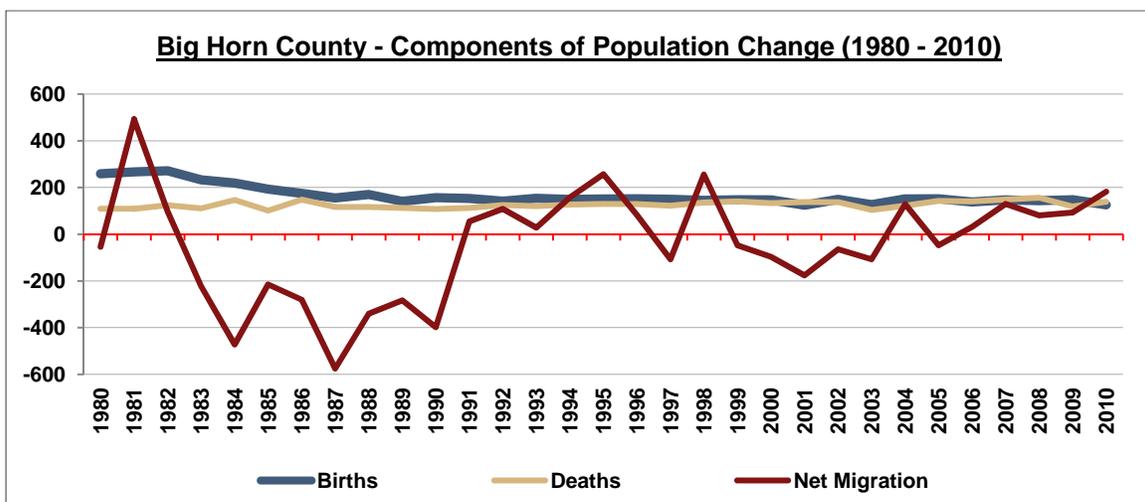
While the county has certainly experienced fluctuations in its population size, Big Horn County does not appear to have endured the significant "boom-bust" cycles that are apparent in other parts of Wyoming. However, the lack of population growth has restrained new economic development, limited the county's housing stock, narrowed residents' choices of occupations, and led to an unbalanced development of some industry sectors (see discussion below).

The 2010 decennial census counted 11,668 people in Big Horn County. The State of Wyoming estimates that Big Horn County’s population grew to 11,994 residents as of July 1, 2013 (the most recent estimate available). Big Horn County experienced a sharp population decline in the late 1980’s, and a lesser decline from 1998 to 2002, but has been slowly growing most years since then, as seen in the following graph.



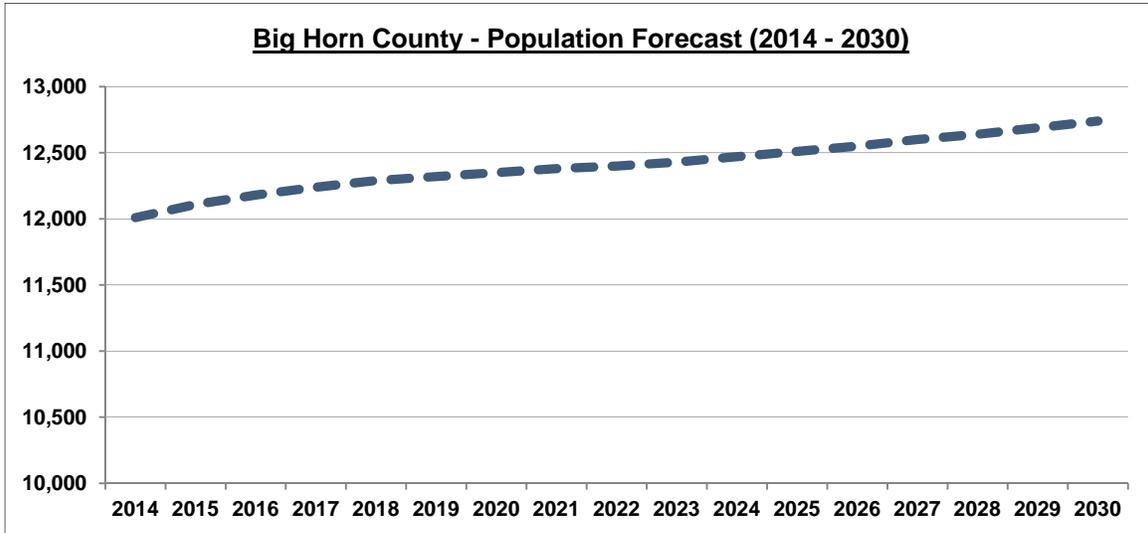
Source: Chart created with data from Wyoming Department of Administration & Information, Economic Analysis Division.

Most of the population change during the last thirty (30) years can be explained by net migration (the net sum of people moving in and out of the county), since the number of births and deaths has been quite consistent, as shown in the graph below. This pattern of net migration is fairly consistent with the timing of energy price changes, especially in the oil and gas industry.



Source: Chart created with data from Wyoming Department of Administration & Information, Economic Analysis Division.

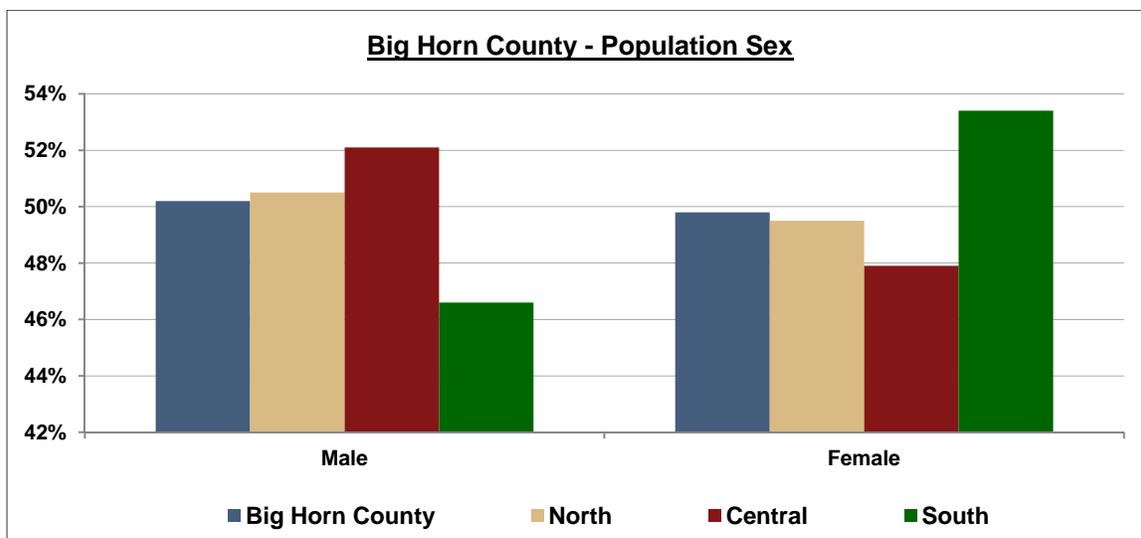
The State of Wyoming is forecasting slow growth for Big Horn County through 2030. If the State’s forecast is accurate, the county will grow to 12,740 residents in 2030 (6.2% growth from the 2013 estimate of 11,994 residents), as shown below.



Source: Chart created with data from Wyoming Department of Administration & Information, Economic Analysis Division.

**Sex**

There are slightly more males (50.2%) than females (49.8%) in Big Horn County. However, there are far more females (53.4%) in the South region of Big Horn County, as shown in the following chart.

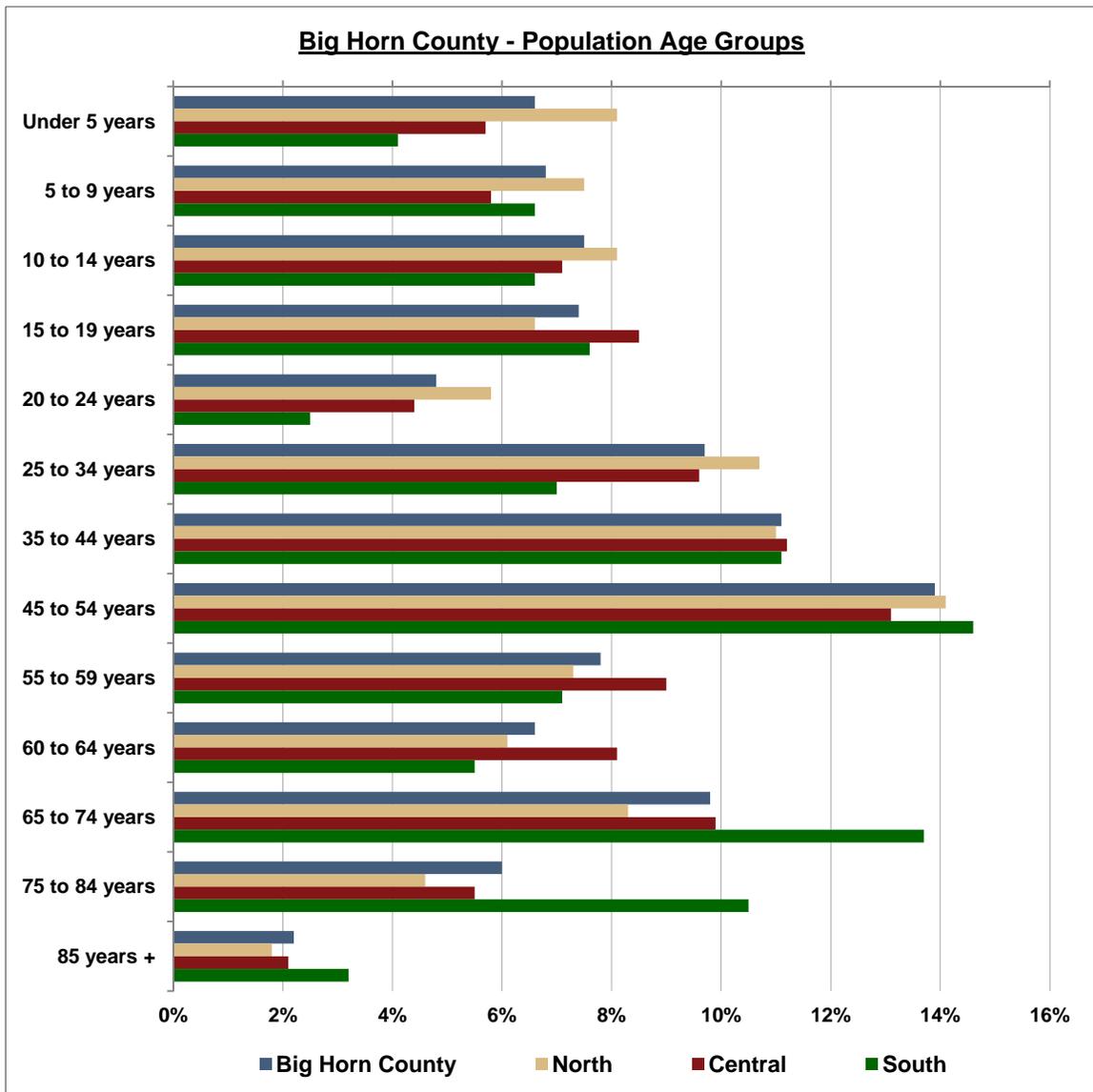


Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

The larger percentage of females in the South may be directly connected to the higher population of elderly in the South, as discussed in the following section.

**Age Groups**

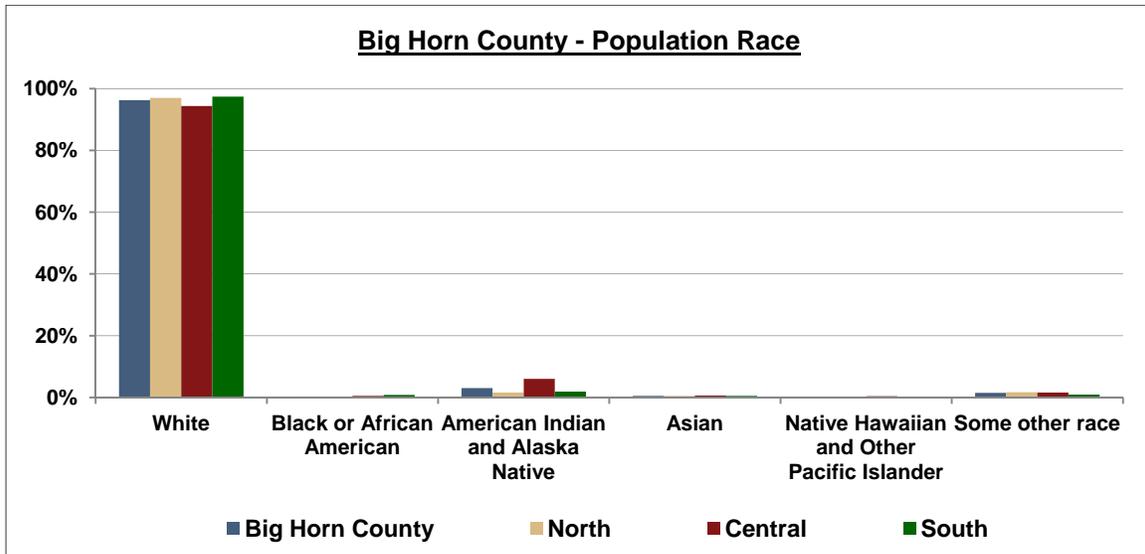
The median age in Big Horn County is 41.8 years old. The North region of Big Horn County has significantly more young people than the South region (where there are significantly more people aged 65 years or older), as seen below. The larger percentage of young people in the North means that the median age there is 37.7 years old, while in the South region the median age is 48.2 years old.



Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

## Race

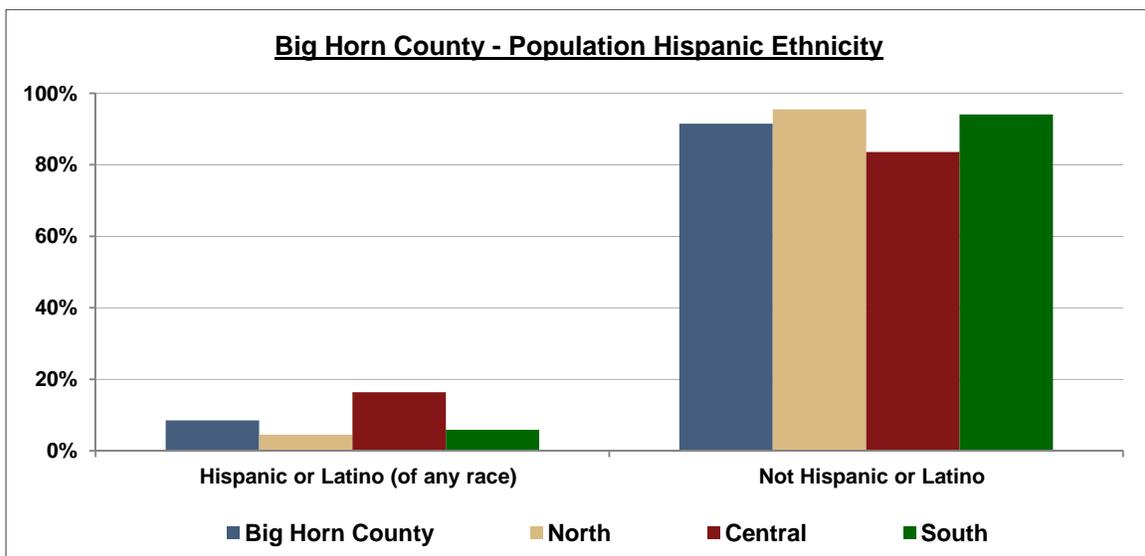
Like most areas in Wyoming, the vast majority (96.3%) of Big Horn County's residents are white. The next most significant race is American Indian and Alaska Native (3.0%), as shown in the following graph.



Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

## Ethnicity

Similarly, 91.5% of residents in Big Horn County are non-Hispanic or Latino, as shown below.



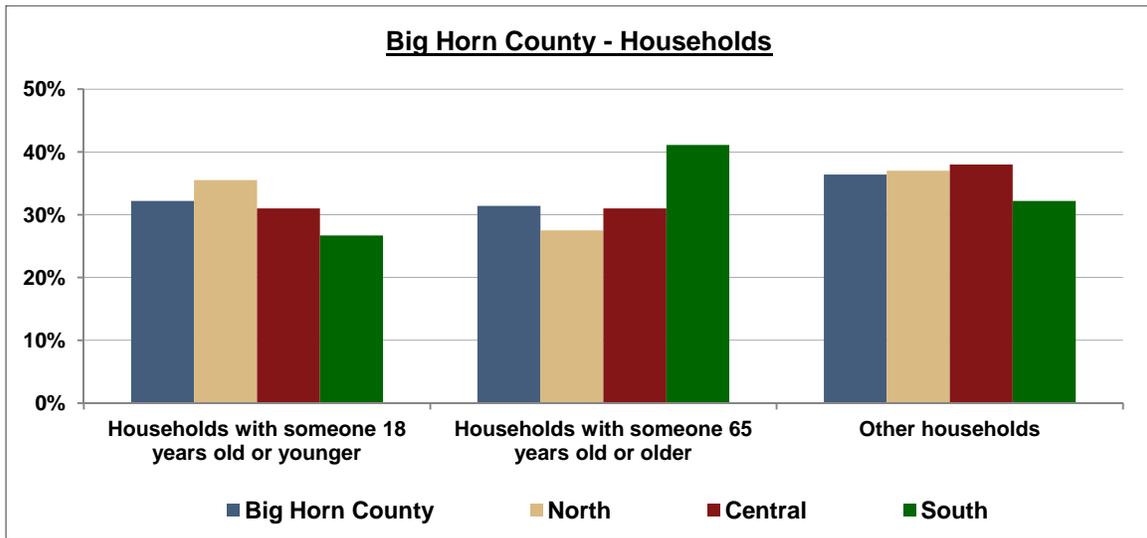
Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

This lack of diversity may become a quality of life issue and affect recruitment efforts. It is possible that non-white and/or Hispanic people will feel uncomfortable about moving into Big Horn County, given the rather homogenized population present today.

## Social

### Households

There are 4,587 total households in Big Horn County. They are about evenly split with someone 18 years old or younger (32.2%), someone 65 years old or older (31.4%), and other households (36.4%) that have neither young nor older residents.

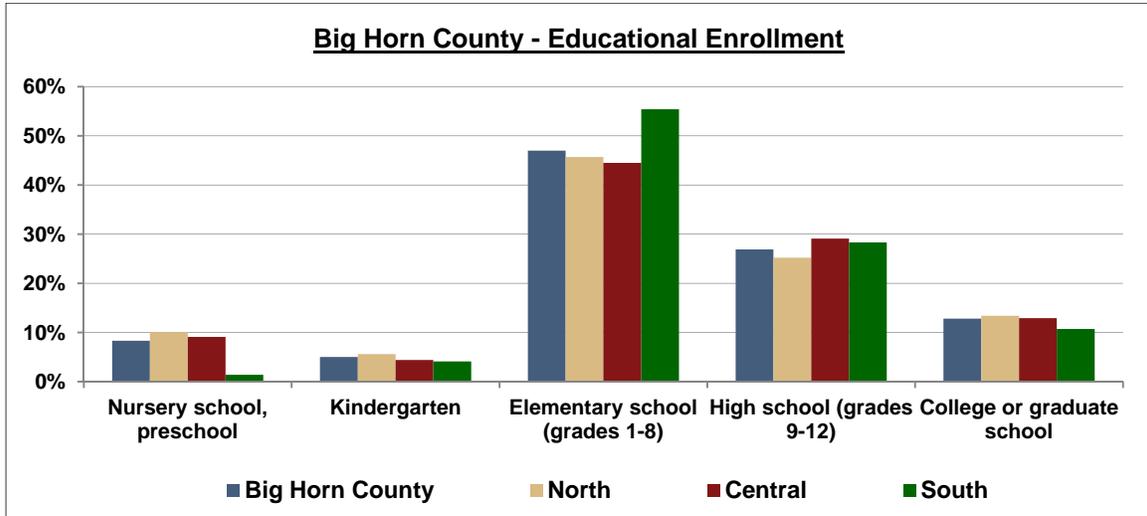


Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

Here again, one can observe the impact of youth in the North CCD of Big Horn County.

**Educational Enrollment**

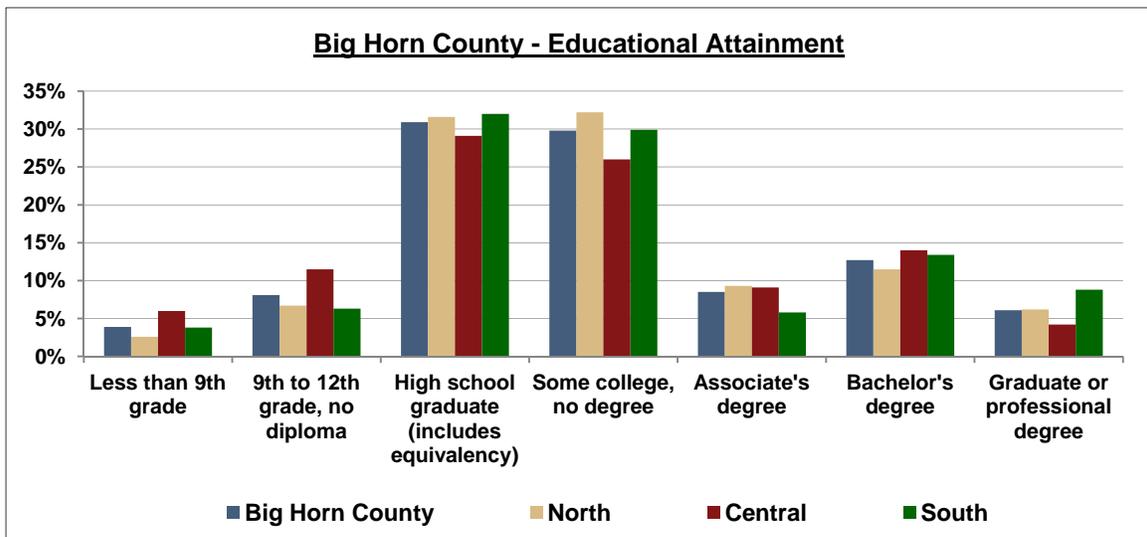
There are 2,865 Big Horn residents enrolled in school. The class size of public schools is shrinking. High school grades average 193 students, Elementary grades average 168 students, Kindergarten has 143 students, and Nursery/Preschools average 119 students per year.



Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

**Educational Attainment**

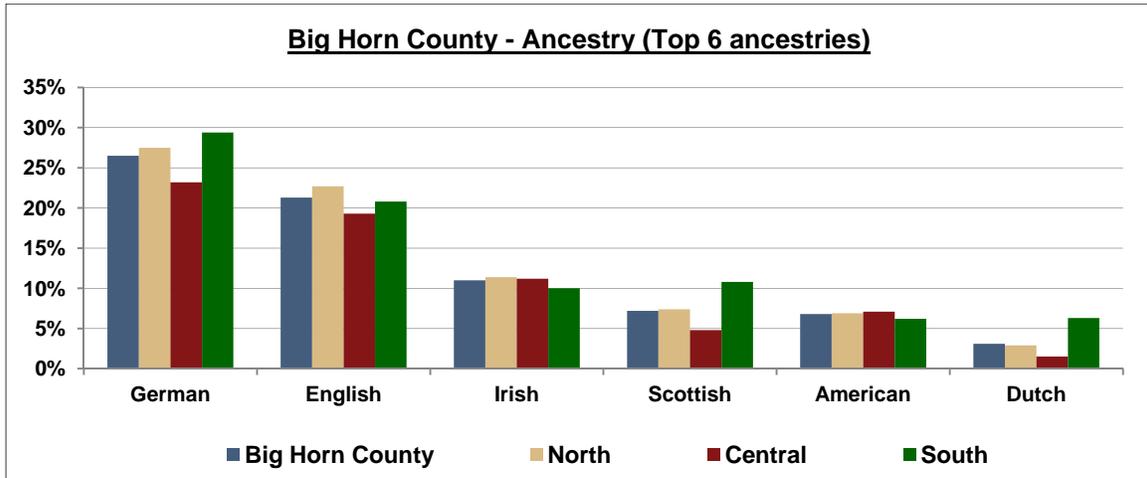
A majority of Big Horn residents who are age 25 years or older (57.1%) have gone to college; 27.3% have some sort of degree. Twelve percent (12%) have not graduated from high school (or equivalency), which suggests that a strong community push to support GED efforts may find a rather large audience.



Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

**Ancestry**

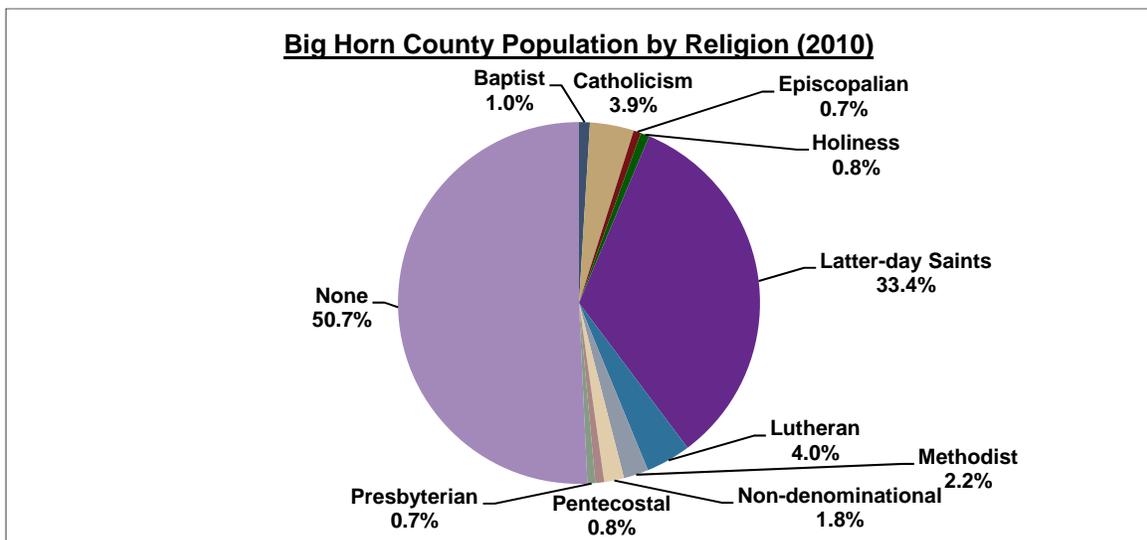
Many Big Horn residents claim ancestry from Western Europe – especially Germany, England, Ireland, and Scotland. In the South region of Big Horn County, there is also a significant percentage of residents who are Dutch (i.e., ancestors are from the Netherlands).



Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

**Religion**

The Church of Jesus Christ of Latter-Day Saints (LDS) has a huge presence in Big Horn County, with about one-third of all residents claiming affiliation. Based on the presence of Meetinghouses, Stake Centers, and other churches, it appears that the LDS Church presence is felt more strongly in the northern third of the of Big Horn County, while non-LDS churches are more prevalent in the southern third of the county.



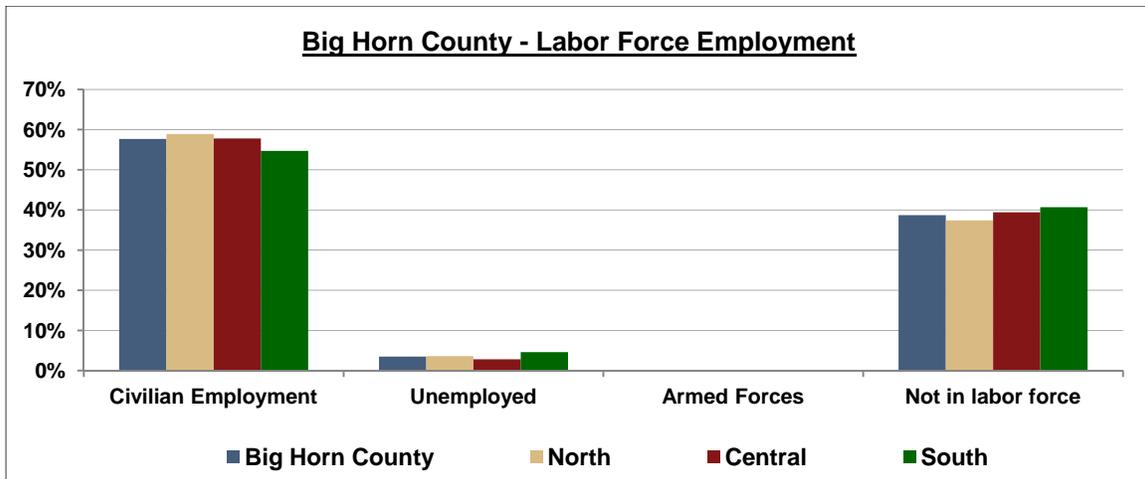
Source: Data from Association of Statisticians of American Religious Bodies (2010).

## Economics

The information provided in this section is also from the U.S. Census Bureau, American Community Survey. Additional economic information from other sources is included in subsequent sections of this plan.

### Labor Force

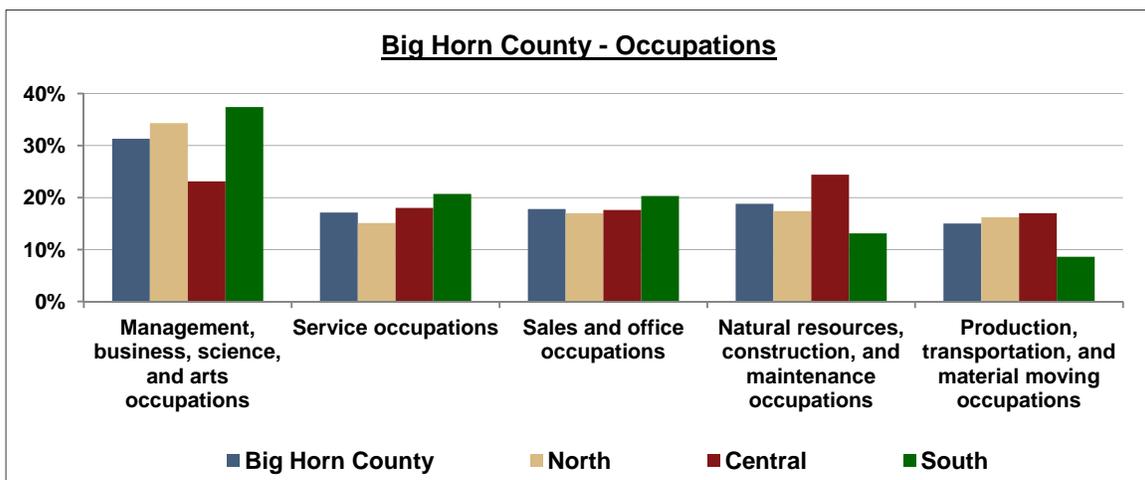
Big Horn County's labor force is estimated by the Census Bureau to be about 5,534 employees (about 61.2% of everyone who is 16 years old and over). Unemployment is low (3.5%).



Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

### Occupations

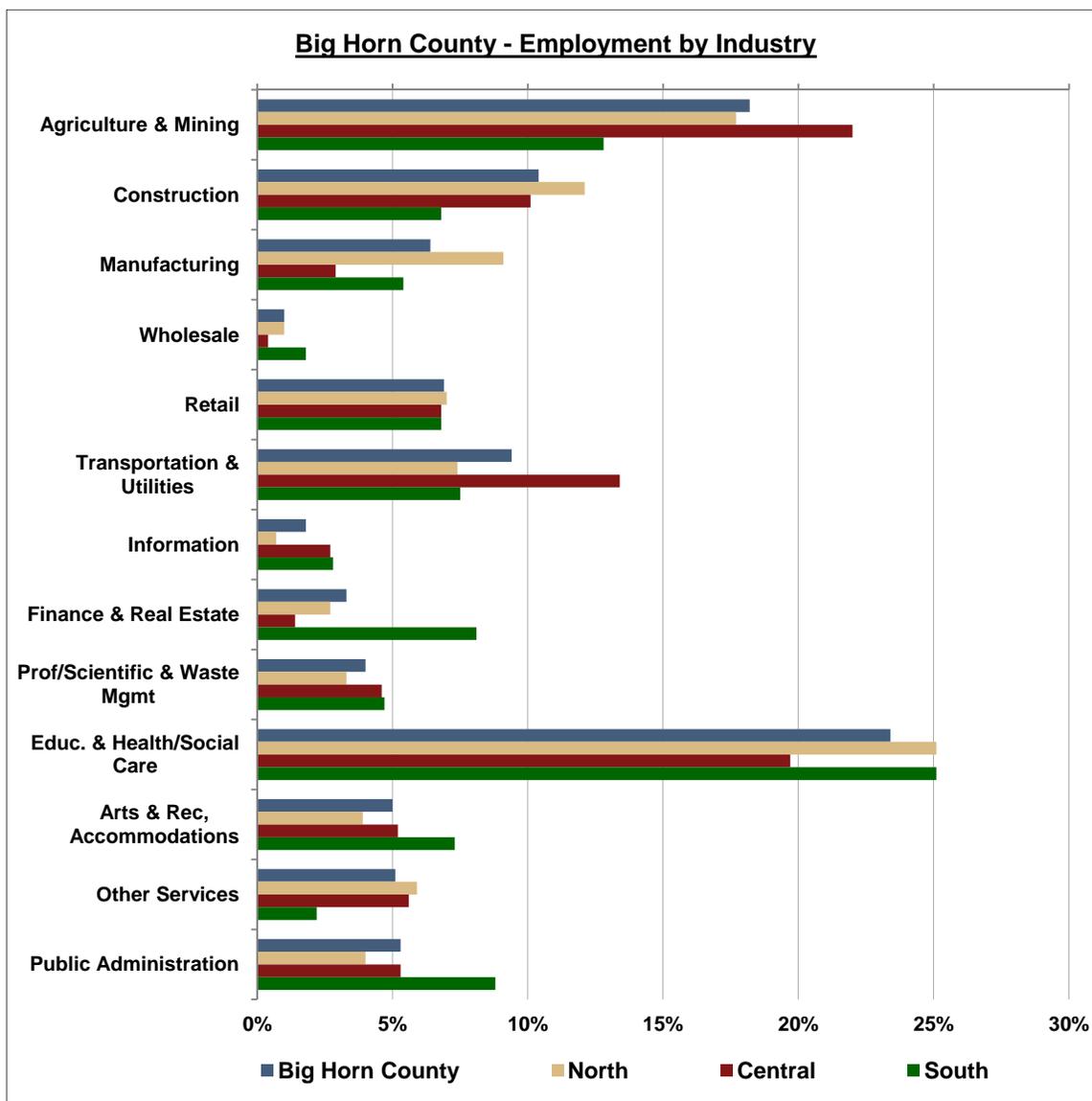
Big Horn County enjoys a broad mix of occupations, as shown below. Most economies have a higher percentage of service occupations than Big Horn County.



Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

## Industries

Like many rural communities, Big Horn County's employment is dominated by Agriculture, Mining, Health, and Education industries, as shown in the following graph.

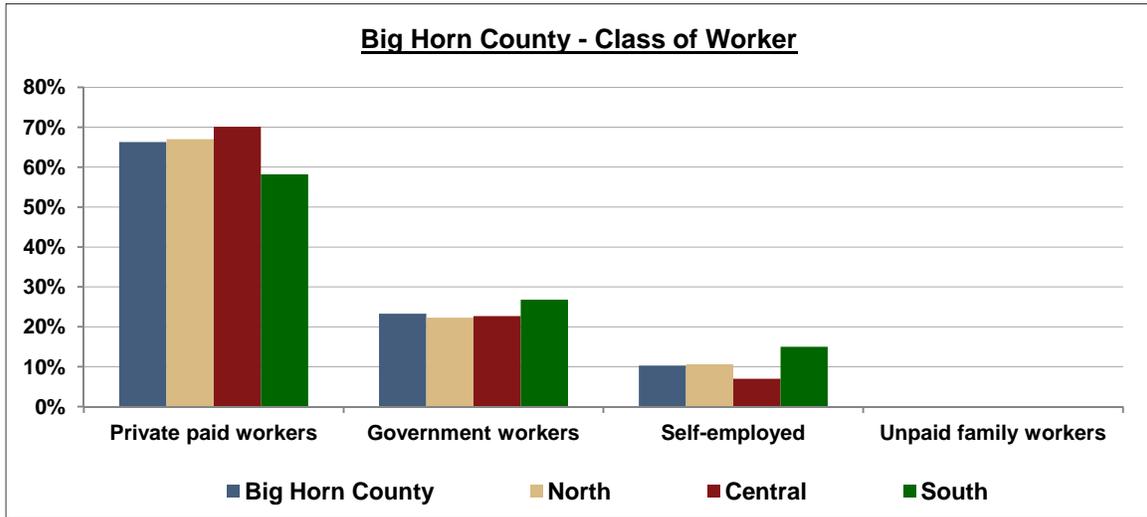


Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

Analysis of the data from the U.S. Census Bureau/American Community Survey has some obvious limitations, especially for rural economies like Big Horn County. The relative strength of the Agriculture and Mining sectors is not clear, for example. Other major sectors are likewise combined, making it difficult to discern industry trends. Accordingly, this plan enhances the analysis of Census Bureau data with other information sources (see sections below).

**Class of Worker**

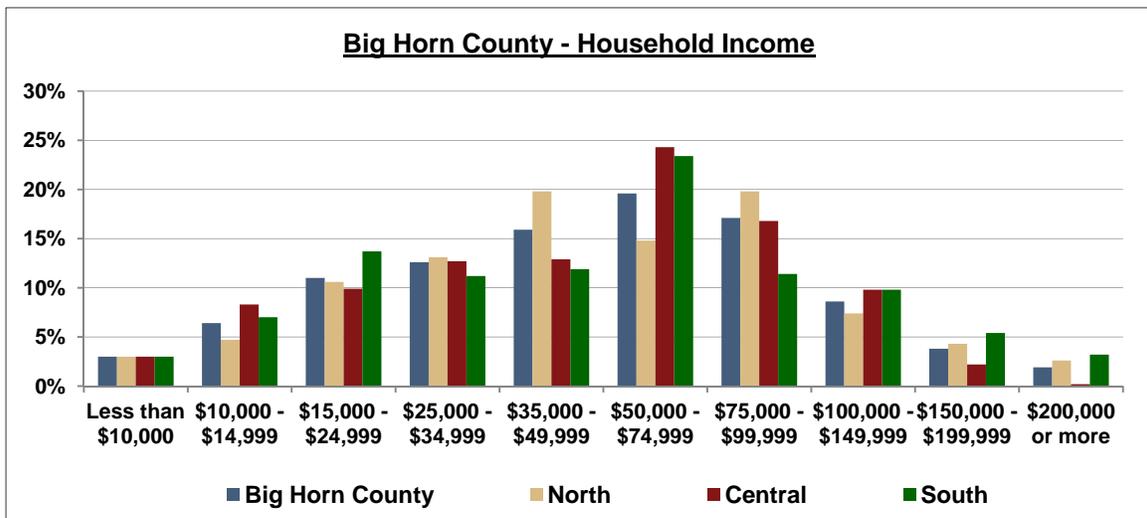
There is a higher than usual percentage (23.3%) of employees in Big Horn County who are government workers; 66.3% are private paid workers; and 10.3% are self-employed. Only five (5) employees are unpaid family workers, as measured by the Census Bureau. The number of government workers can be a strength (stable jobs that pay well) or a weakness (too much reliance on publicly-funded positions).



Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

**Household Income**

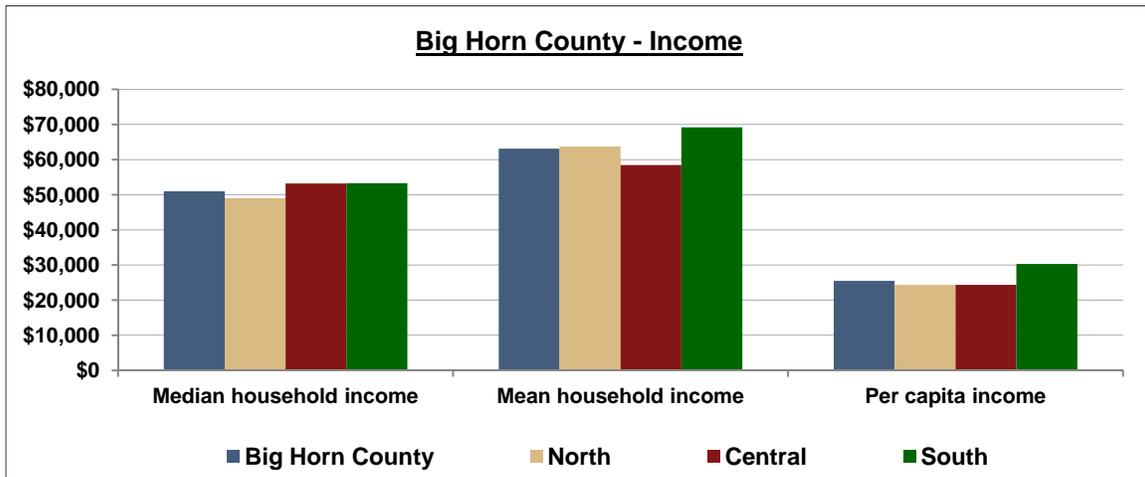
There are disparities of household income in the three regions of Big Horn County. The differences are especially evident in the \$35,000 - \$99,999 income brackets.



Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

## Income Measures

Median household income in Big Horn County is \$51,002; average (mean) household income is \$63,136; and per capita income is \$25,506. Median income is the point at which half of all households earn more, and half earn less. It is commonly considered to be the most accurate way to describe income in a community. By comparison, the median household income in Wyoming is \$56,573, and the nation is \$53,046.

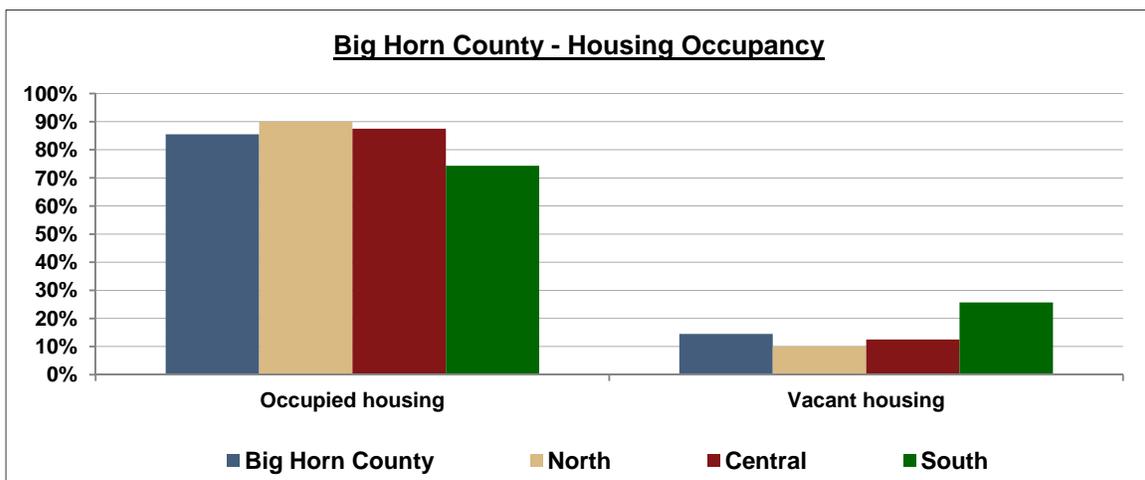


Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

## **Housing**

### Occupancy

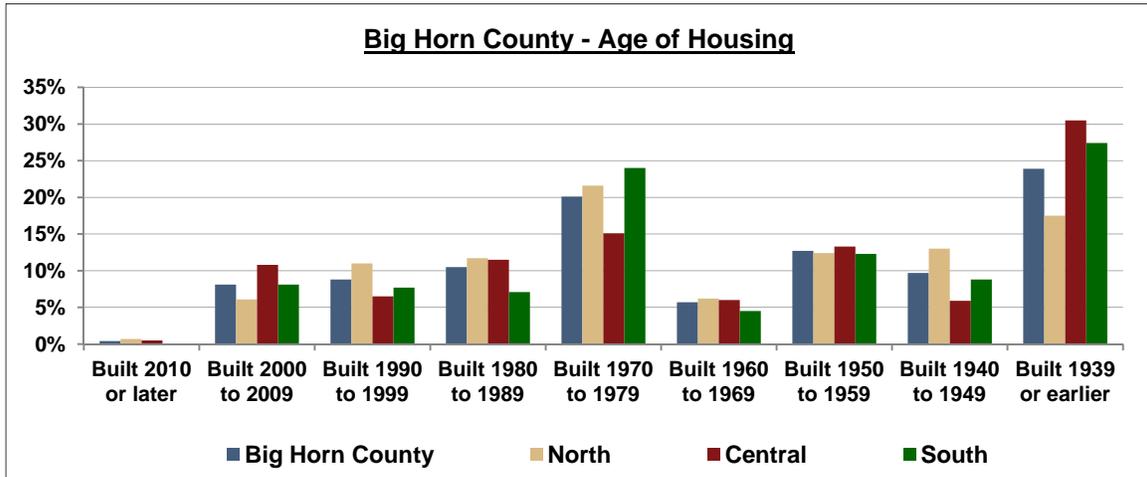
There is a higher than usual percentage of housing vacancies in Big Horn County, especially in the South region (25.7%), as shown in following chart.



Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

**Age of Housing**

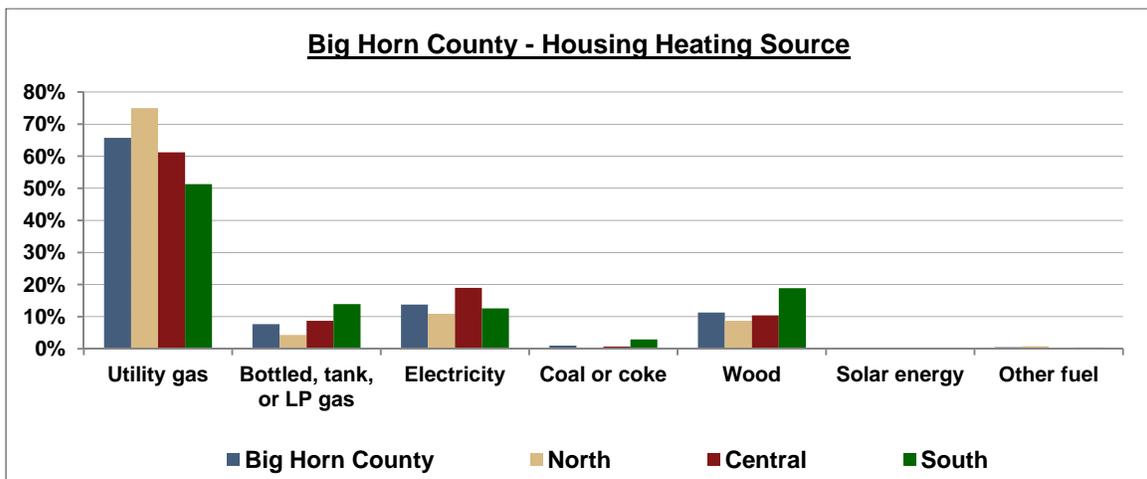
A possible reason for the high number of vacancies could be the age of the houses in Big Horn County. There was a housing boom in the 1970’s, but many homes (23.9%) were built in 1939 or earlier. Most homes in Big Horn County (52.1%) are at least 45 years old. The age of housing can have a big impact on attracting new residents and businesses, as it limits housing options.



Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

**Heating Sources**

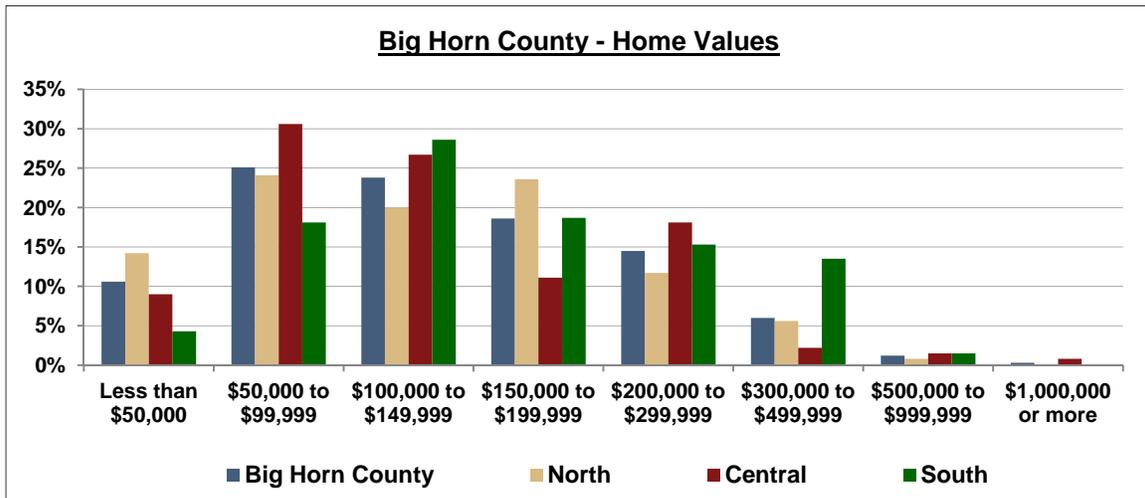
About two-thirds (65.7%) of homes in Big Horn County are heated with natural gas; 7.7% use propane gas; 13.8% use electricity; 11.3% use wood; and 1.5% use coal/coke or another fuel. The high percentage of natural gas users is a strength for development and recruitment purposes.



Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

**Home Values**

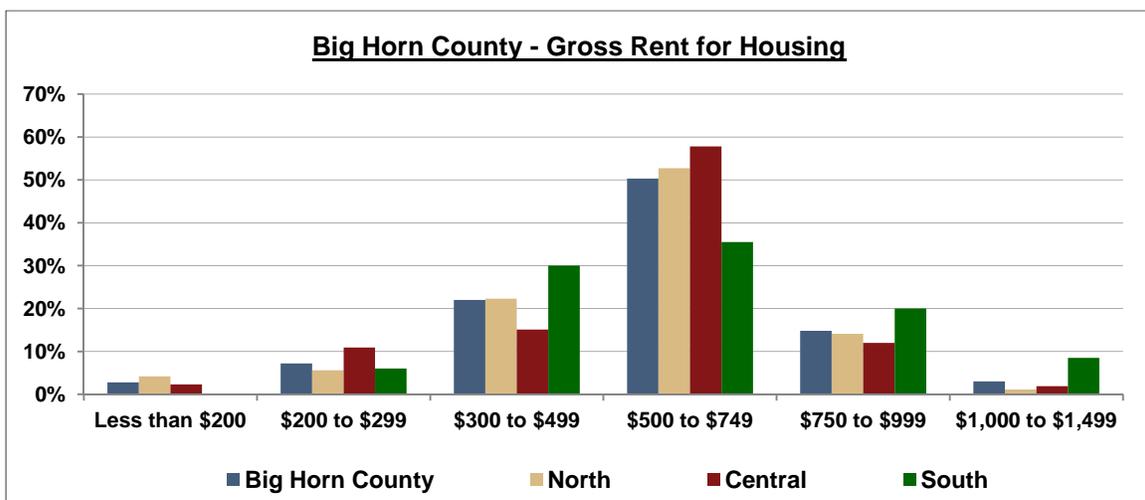
Home values in Big Horn County are relatively low. The median home value is \$123,900 (which means that half of the homes are worth more, and half are worth less). Only 22.0% of all homes are valued greater than \$200,000. By comparison, the median home value in Wyoming is \$184,400, and nationally it is \$181,400.



Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

**Rental Costs**

Housing rental costs in Big Horn County are very affordable. The median rent paid for housing is \$550 per month (which means that half of rental units charge more, and half charge less). By comparison, the median rent in Wyoming is \$733/month and nationally is \$889/month.



Source: Chart created with data from U.S. Census Bureau, American Community Survey (2012 ACS 5-year estimates).

## ECONOMY

### Target Industry Analysis

Rather than attempt a broad-based strategy to attract and support all types of business, Big Horn County should target its recruitment and support efforts to industries that make sense for the local economy. A comprehensive targeted industry analysis is beyond the scope of this plan. However, there are some initial observations that can be made to guide targeted industry efforts in Big Horn County, using location quotients.

Location quotients compare local economies to larger economies. Typically, location quotients are based on a local economy's percentage of employees working in each industry, compared to a larger economy (e.g., state or national). No county economy in Wyoming compares well to the national economy, which is the standard for measuring economic diversification. However, with the assumption that the Wyoming is better diversified than any individual county, one can compare each local industry to that industry's size statewide, as well.

To calculate a location quotient, the percentage that a local industry represents to the overall size of the local economy is divided by the percentage of a larger economy. For this study, CBI uses the national economy to calculate location quotients, and then compares Big Horn County's location quotient to the State of Wyoming's location quotient. That way, the local economy (Big Horn County) and the state economy are consistently compared to the national economy. A location quotient of 1.0 means that a local industry is, proportionately, the same size as the industry on a national basis. A location quotient greater than 1.0 means the industry is more significant to the local economy than it is nationally. A location quotient less than 1.0 means that the local industry is, proportionately, less significant than it is nationally.

Typically, location quotients are calculated based on the number of employees who are working in each industry. For this analysis, CBI is using annual data from the Quarterly Census of Employment and Wages (QCEW), generated by the U.S. Bureau of Labor Statistics. QCEW data is very accurate and easily accessed for reliable comparisons of county, state, and national economies. QCEW data is organized according to the North American Industry Classification System (NAICS), which classifies industries into Sectors and Sub-Sectors for effective analysis. To identify growth trends, location quotients have been calculated for the five-year period from 2009 to 2013.

At first glance, Big Horn County appears to have several very strong industry sectors:

- Agriculture, forestry, fishing and hunting
- Mining, quarrying, and oil and gas extraction
- Utilities
- Construction



In addition, there are some key industry sectors that have been getting stronger since 2009. These growth industries include:



- Manufacturing
- Transportation and warehousing
- Finance and insurance
- Other services, except public administration

Finally, there are some industries that have been losing significant ground since 2009. These declining industries include:

- Wholesale trade
- Health care and social assistance
- Information
- Real estate and rental and leasing
- Arts, entertainment, and recreation
- Accommodation and food services



The 2009-2013 location quotients for all major industry sectors (compared to the national economy) are shown below.

Big Horn County Location Quotients (QCEW data)						
Big Horn County - NAICS Industry Sectors	2009	2010	2011	2012	2013	Change
Agriculture, forestry, fishing and hunting	4.49	4.04	4.10	4.53	4.51	0.4%
Mining, quarrying, and oil and gas extraction	32.99	35.52	34.05	32.17	31.53	-4.4%
Utilities	1.99	1.81	1.63	1.62	1.95	-2.0%
Construction	1.98	2.11	2.07	2.08	1.92	-3.0%
Manufacturing	0.75	0.80	0.77	0.86	1.02	36.0%
Wholesale trade	1.00	0.90	0.91	0.87	0.85	-15.0%
Retail trade	0.87	0.84	0.79	0.83	0.82	-5.7%
Professional and technical services	ND	ND	ND	ND	ND	ND
Management of companies and enterprises	ND	ND	ND	ND	ND	ND
Administrative and waste services	0.98	0.87	1.18	0.85	0.92	-6.1%
Educational services	ND	NC	NC	NC	NC	NC
Health care and social assistance	ND	0.38	0.36	0.34	0.30	-21.1%
Transportation and warehousing	0.43	0.66	0.64	0.73	0.78	81.4%
Information	1.53	1.65	1.53	1.44	1.20	-21.6%
Finance and insurance	0.63	0.64	0.60	0.64	0.69	9.5%
Real estate and rental and leasing	0.38	0.31	0.27	0.27	0.21	-44.7%
Arts, entertainment, and recreation	0.41	0.40	0.36	0.39	0.36	-12.2%
Accommodation and food services	0.77	0.73	0.69	0.68	0.65	-15.6%
Other services, except public administration	0.61	0.60	0.48	0.55	0.71	16.4%

Source: Data from U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

Further analysis of location quotients for Big Horn County and the State of Wyoming, especially at the industry sub-sector level, provides deeper insight into the local economy and indicates several industries that could be targeted for recruitment and/or assistance. At this more detailed level, it is clear that some of the strongest industries in Big Horn County are getting stronger, including:

- Mining, except oil and gas
- Heavy and civil engineering construction
- Crop production
- Truck transportation
- Credit intermediation and related activities
- Repair and maintenance
- Building material and garden supply stores

### Strongest Industries Getting Stronger!

- *Mining, except oil and gas*
- *Heavy and civil engineering construction*
- *Crop production*
- *Truck transportation*
- *Credit intermediation and related activities*
- *Repair and maintenance*
- *Building material and garden supply stores*

These industries are doing well, and will likely continue to do well on their own, because the local resources, market forces, demand, and supply chain factors support their vitality.

However, there are some key industries that are at risk in Big Horn County, including the following:

- Oil and gas extraction
- Gasoline stations
- Support activities for mining
- Furniture and related product manufacturing
- Utilities
- Merchant wholesalers, nondurable goods
- Food and beverage stores
- Accommodation
- Construction of buildings
- Social assistance



The industries above are losing ground for a variety of reasons, some of which can be corrected with targeted support (which may include workforce training, marketing, recruitment, research and education, finance, or other community involvement). Of course, some of these industries (e.g., natural gas extraction) have struggled due to commodity prices and other market conditions. Specific recommendations for each industry are included in the Action Plan at the very end of this report.

Finally, there are several weak industries in Big Horn County that are struggling to establish a viable presence in the local economy. Each of these industries has a location quotient of less than 1.0:

### **Weak Industries Getting Weaker**

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- *Administrative and support services*
  - *Social assistance*
  - *Specialty trade contractors*
  - *Waste management and remediation services*
  - *Food services and drinking places*
  - *Amusements, gambling, and recreation*
  - *Merchant wholesalers, durable goods*
  - *Motor vehicle and parts dealers*
  - *Membership associations and organizations*
  - *Miscellaneous store retailers*
- 

- Administrative and support services
- Social assistance
- Specialty trade contractors
- Waste management and remediation services
- Food services and drinking places
- Amusements, gambling, and recreation
- Merchant wholesalers, durable goods
- Motor vehicle and parts dealers
- Membership associations and organizations
- Miscellaneous store retailers

These weaker industries could diversify and support the local economy. However, they may need substantial support from local communities, similar to the targeted support identified above (i.e., workforce training, marketing, recruitment, research and education, finance, or other community involvement).



All sub-sector industries and their location quotients from 2009 to 2013 (as compared to the national economy) are identified in the following table, listed in order of their 2013 location quotient.

<b>Big Horn County Location Quotients (QCEW data)</b>						
<b>Big Horn County - Industry Sub-Sectors</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Change</b>
Mining, except oil and gas	88.74	100.61	102.91	104.53	108.76	22.6%
Oil and gas extraction	11.06	10.33	10.04	9.49	9.39	-15.1%
Heavy and civil engineering construction	6.61	8.46	8.22	8.12	7.41	12.1%
Crop production	5.84	5.28	5.72	6.27	6.48	11.0%
Gasoline stations	5.28	5.03	4.68	4.63	4.63	-12.3%
Food manufacturing	ND	ND	2.22	2.61	2.99	
Truck transportation	1.34	ND	ND	2.18	2.33	73.9%
Support activities for mining	3.62	3.58	3.16	2.90	2.12	-41.4%
Furniture and related product manufacturing	2.48	2.13	1.67	1.85	1.95	-21.4%
Utilities	1.99	1.81	1.63	1.62	1.95	-2.0%
Merchant wholesalers, nondurable goods	2.06	ND	ND	ND	1.74	-15.5%
Fabricated metal product manufacturing	ND	ND	ND	ND	1.47	
Credit intermediation and related activities	1.21	ND	ND	1.26	1.31	8.3%
Food and beverage stores	1.34	1.33	1.28	1.29	1.26	-6.0%
Accommodation	1.37	1.37	1.20	1.39	1.24	-9.5%
Repair and maintenance	0.98	0.98	0.50	0.68	1.16	18.4%
Building material and garden supply stores	0.61	0.59	0.51	0.98	1.06	73.8%
Construction of buildings	1.83	1.27	1.16	0.99	1.02	-44.3%
Administrative and support services	ND	ND	ND	0.87	0.94	
Social assistance	1.63	1.65	1.42	1.24	0.93	-42.9%
Specialty trade contractors	0.99	0.91	0.93	0.99	0.92	-7.1%
Waste management and remediation services	ND	ND	ND	0.44	0.77	
Food services and drinking places	0.66	0.61	0.59	0.55	0.55	-16.7%
Amusements, gambling, and recreation	ND	ND	0.50	0.54	0.51	
Merchant wholesalers, durable goods	0.53	ND	ND	ND	0.49	-7.5%
Motor vehicle and parts dealers	0.61	0.59	0.65	0.51	0.48	-21.3%
Membership associations and organizations	ND	0.55	0.56	0.64	0.40	
Miscellaneous store retailers	0.53	0.31	0.35	0.31	0.31	-41.5%

Source: Data from U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

### Opportunities for Growth

- Mining
- Tourism
- Construction
- Retail

If the Big Horn County economy is compared to the state economy, location quotient differences for each industry (compared to the national economy) strongly suggest that there is opportunity to grow several industry sectors, including mining, tourism, construction, and retail. Again, each industry is different and each faces unique challenges to grow. Some industries – such as mining – exist only where certain natural resources can be found and affordably extracted at market prices. Others, including construction and utilities, are completely dependent upon purchasers’ demand for their products (mostly local demand). Still other industries, especially retail and

tourism, face market challenges that go well beyond local purchasing or demand dynamics. Market challenges can include significant start-up costs, reliance on third party assets (such as national parks, or transportation routes/systems), low wages, minimal profit margins, and competition from larger businesses (such as national chain big box stores).

Regardless of the obstacles, if each local industry were to grow to the extent of the state’s location quotient, each industry could gain several potential new employees. Each of these opportunities is summarized in the following table. To add some context on the significance of each industry, the number of current and potential employees is added to each sub-sector’s location quotient. Potential new employees is calculated as the number of new employees necessary to bring the local industry up to the same location quotient as the state.

<b>Big Horn County - Potential Employment Growth, by Industry Sub-Sector</b>						
<b>2013 Big Horn County - Industry Sub-Sectors</b>	<b>LQ Big Horn County</b>	<b>LQ Wyoming</b>	<b>LQ Difference</b>	<b>Big Horn County Employees</b>	<b>Potential New Employees</b>	<b>Key Challenge to Overcome</b>
Support activities for mining	2.12	16.34	-14.22	21	141	Resource
Food services and drinking places	0.55	1.04	-0.49	138	123	Market
Accommodation	1.24	3.31	-2.07	56	93	Market
Specialty trade contractors	0.92	1.73	-0.81	82	72	Demand
Merchant wholesalers, durable goods	0.49	1.09	-0.60	34	42	Market
Motor vehicle and parts dealers	0.48	1.26	-0.78	21	34	Market
Construction of buildings	1.02	1.61	-0.59	32	19	Demand
Social assistance	0.93	1.17	-0.24	71	18	Funding
Repair and maintenance	1.16	1.77	-0.61	34	18	Demand
Miscellaneous store retailers	0.31	1.10	-0.79	6	15	Market
Oil and gas extraction	9.39	12.22	-2.83	45	14	Resource
Membership associations and organizations	0.40	0.75	-0.35	13	11	Demand
Amusements, gambling, and recreation	0.51	0.80	-0.29	18	10	Market
Building material and garden supply stores	1.06	1.31	-0.25	31	7	Market
Utilities	1.95	2.40	-0.45	26	6	Demand
Waste management and remediation services	0.77	1.31	-0.54	7	5	Demand
<b>Potential Employment (total from above)</b>				<b>628</b>		

Source: Data from U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

Based on the analysis above, there seems to be an immediate opportunity to enhance the tourism and travel industry in Big Horn County. If successful, such an effort would add as many as 226 jobs in the following industry sub-sectors:

- Food services and drinking places
- Accommodation (lodging)
- Amusements, gambling, and recreation

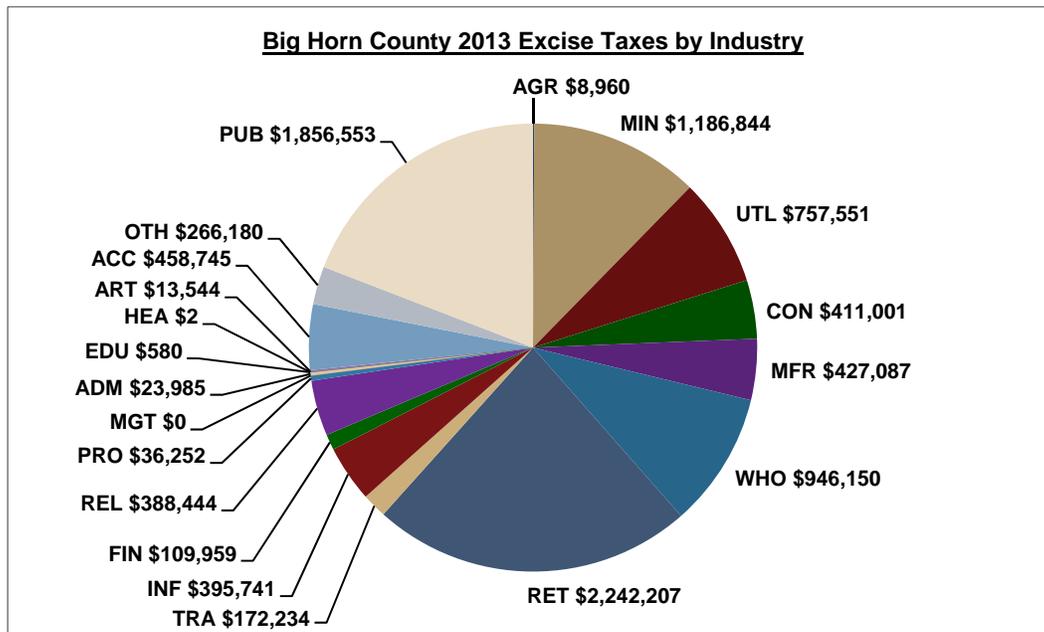
Additionally, many communities that serve the tourism and travel market typically have a larger presence of gas stations and liquor stores than are present in Big Horn County. To further target the tourism industry, Big Horn County should engage various partners and conduct a

tourism study for the county. This effort will add jobs and enhance the local quality of life (another economic development goal).

Depending on global markets and the local presence of natural resources, mining would be a good industry to actively support. Although the mining industry's decisions are generally based on business considerations, it is possible that there are other issues in Big Horn County that currently impair their ability to grow. Sometimes housing, quality of life, local development regulations, and other factors influence business decisions, and some of those factors can be addressed by a progressive community. To determine if that is possible, Big Horn County should begin a regular dialogue with industry leaders.



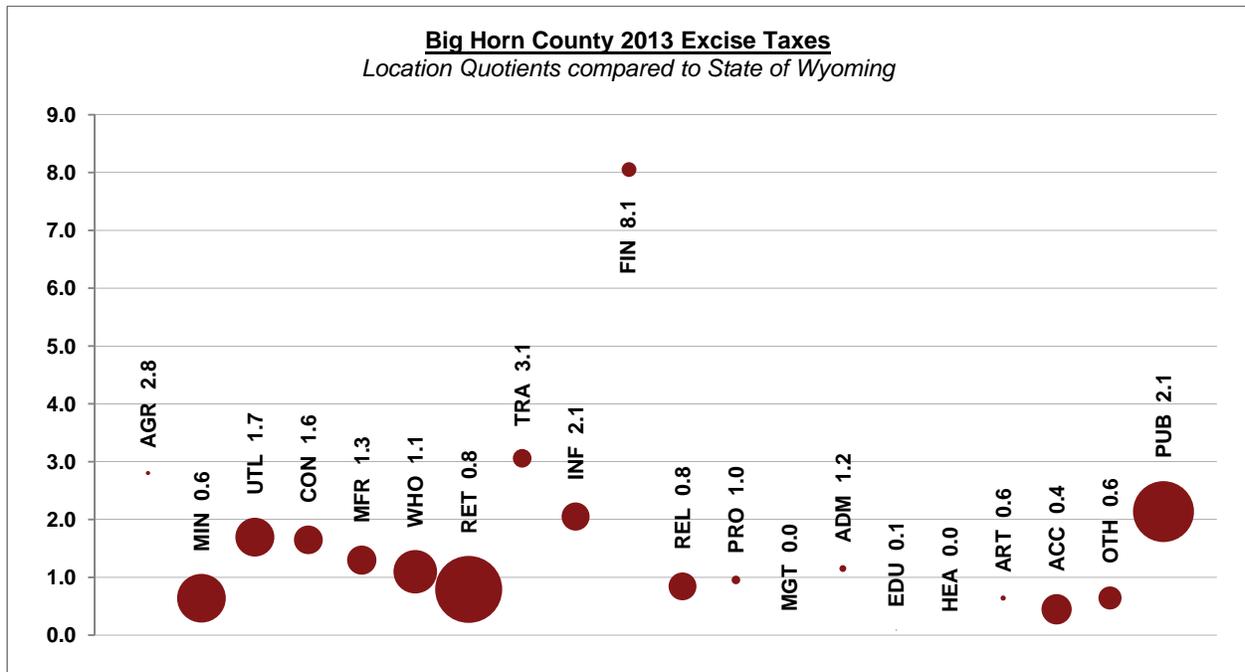
Generally, location quotients are understood to be based on comparisons of the percentage of employees in each industry. However, it is possible to extend the concept to other aspects of a local economy. For example, it is possible to compare Big Horn County's excise tax collections to Wyoming's collections. A good understanding of excise taxes is especially important for the many municipalities in Big Horn County, since excise taxes represent a large portion of their total general revenue. Excise taxes for Big Horn County in 2013 were somewhat better diversified than employment, as shown in the following chart (see Appendix for key).



Source: Based on data from Wyoming Department of Revenue.

Keeping in mind that excise taxes are not collected on every business transaction, and that total economic activity is much bigger than taxes, it is nonetheless interesting that excise tax location quotients seem to be consistent with those based on employment.

In the following chart, the size of each bubble represents the relative size of each major industry sector in Big Horn County. The vertical placement of each bubble is determined by each industry's location quotient. Once again, a location quotient greater than 1.0 represents a relatively strong industry; a location quotient less than 1.0 means that the industry is, proportionately, less significant in Big Horn County than it is statewide.



Source: Based on data from Wyoming Department of Revenue.

The location quotient analysis of excise taxes demonstrates similar strengths as the employment analysis. Thus, the following industries are relatively strong in Big Horn County:

- AGR – Agriculture, forestry, fishing and hunting
- UTL – Utilities
- CON – Construction
- MFR – Manufacturing
- TRA – Transportation and warehousing
- INF – Information
- FIN – Finance and insurance
- PUB – Public Administration [Note: Excise taxes collected by the Public Administration sector primarily consist of sales tax collected on the purchase of motor vehicles]

Similarly, the excise tax analysis suggests that, in spite of its strategic location and attractive outdoor assets, Big Horn County is not sufficiently developed to capture the tourism and travel market. Thus, the following industry sectors are smaller than they could be:

- RET – Retail
- ART – Arts, entertainment, and recreation
- ACC – Accommodation and food services

Targeting the tourism and travel industries would add jobs and build the local tax base. Sometimes the tourism industry is criticized because of a perception that it pays lower wages than other industries. However, the benefits of targeting these industries outweigh the criticism. These benefits include diversification and stabilization of the economy, provision of jobs for youth and other part-time workers, career opportunities for those who choose tourism as their career path, strengthening of the tax base, leveraging of the value of existing outdoor/cultural assets, and the multiplier effect of having outside money circulated in the local economy. It should be noted, however, that many people that CBI interviewed for this project do not believe there is much opportunity to tap into the tourism market. Such skepticism is based on perceptions of existing conditions, and fails to recognize the actual potential of tourism.



## Economic Clusters

Economic clusters are often misunderstood. Accordingly, a detailed explanation of clusters may be helpful. An economic cluster is a regional concentration of related industries that arise out of the various types of industry connections that span across industries in a particular location. Clusters consist of companies, suppliers, service providers, government agencies, and other institutions that provide specialized training and education, information, research, and technical support.

Clusters exist where economic activities within a set of related industries in a given location reach critical mass. It is at this point that local linkages begin to have a meaningful impact on the performance of companies, generating opportunities for local collaboration among firms and other organizations in the relevant fields.

Clusters emerge naturally in the market process, providing productivity benefits to companies as they grow in size. Companies in clusters gain access to specialized regional suppliers, service providers, and institutions, and can also benefit from deep pools of skilled employees and shared infrastructure dedicated to their needs. Clusters become attractive to companies

looking for a new location and grow through the performance of companies already located there.

As research over the past few decades has shown, clusters exist in all types of economies and are more prevalent in locations that achieve better performance relative to their overall stage of development. They play a fundamental role in driving regional economic competitiveness by encouraging higher rates of job growth, wage growth, new business formation, and innovation.

It is useful to view economies through the lens of clusters rather than specific types of companies, industries, or sectors because clusters capture the important linkages and potential spillovers of technology, skills, and information that cut across firms and industries. Viewing a group of companies and institutions as a cluster highlights opportunities for coordination and mutual improvement.

Regional economies are made up of two types of clusters, each with different patterns of geographic presence and different competitive dynamics:

- “Traded” economic clusters are groups of related industries that serve markets beyond the region in which they are located. They are free to choose their location of operation (unless the location of natural resources drives where they can be) and are highly concentrated in a few regions, tending to only appear in regions that afford specific competitive advantages. Since traded clusters compete in cross-regional markets, they are exposed to competition from other regions. Examples of traded clusters include Financial Services in New York City, Information Technology in Silicon Valley, and Video Production and Distribution in Los Angeles. Traded clusters are the “engines” of regional economies; without strong traded clusters, it is virtually impossible for a region to reach high levels of overall economic performance.
- “Local” economic clusters, in contrast, consist of industries that serve the local market. They are prevalent in every region of the country, regardless of the competitive advantages of a particular location. As a result, a region’s employment in local clusters is usually proportional to the population of that region. Moreover, the majority of a region’s employment comes from jobs in local clusters. Since local clusters are tied to the regions in which they are located, they are not directly exposed to competition from other regions. Examples include Local Entertainment such as video rental services and movie theaters, Local Health Services such as drug stores and hospitals, and Local Commercial Services such as drycleaners.

While local clusters account for most of the employment and employment growth in most economies, traded clusters typically generate higher wages and much higher levels of innovation. Local clusters provide necessary services for the traded clusters in a region, and both are needed to support a healthy and prosperous regional economy. Clusters also function as an effective instrument for public policy and industry collaboration by having the capacity to harness many different types of policies and programs directed at economic development.

While many of the benefits of clusters can occur automatically, active collaboration within a cluster can enhance the returns from its presence. In some clusters, **cluster initiatives** have arisen that strengthen the linkages between the various members of a cluster and serve as a platform for joint action. In other regions, organizations like regional competitiveness initiatives and institutions for collaborations play a similar role.

The U.S. Economic Development Administration (EDA) is the lead sponsor of the U.S. Cluster Mapping Project (CMP), an on-line collaborative effort to map regional clusters in the United States. CMP is a strong analytical tool, but one that has limitations for small areas like Big Horn County. Because of the county's small population and workforce, much of the economic data for Big Horn County has been suppressed (to protect confidentiality).

A review of CMP's analysis of Big Horn County reveals that the biggest traded economic clusters, in terms of employment, include the following:

- Oil & Gas Production and Transportation
- Nonmetal Mining
- Business Services
- Construction Products and Services
- Distribution and Electronic Commerce

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**Key TRADED Economic Clusters - Big Horn County**

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- *Oil & Gas Production and Transportation*
- *Nonmetal Mining*
- *Business Services*
- *Construction Products and Services*
- *Distribution and Electronic Commerce*

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**Key LOCAL Economic Clusters - Big Horn County**

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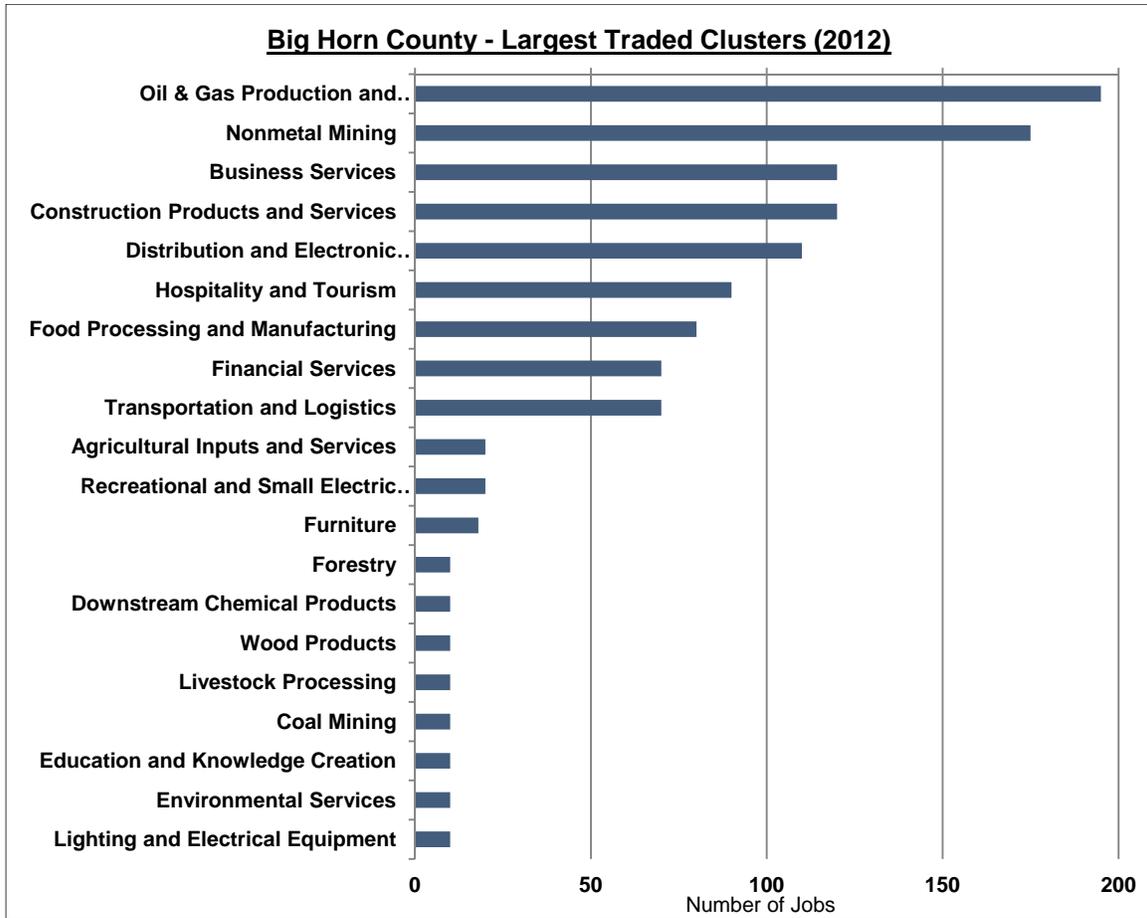
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- *Real Estate, Construction and Development*
- *Health Services*
- *Utilities*
- *Logistical Services*
- *Hospitality Establishments*

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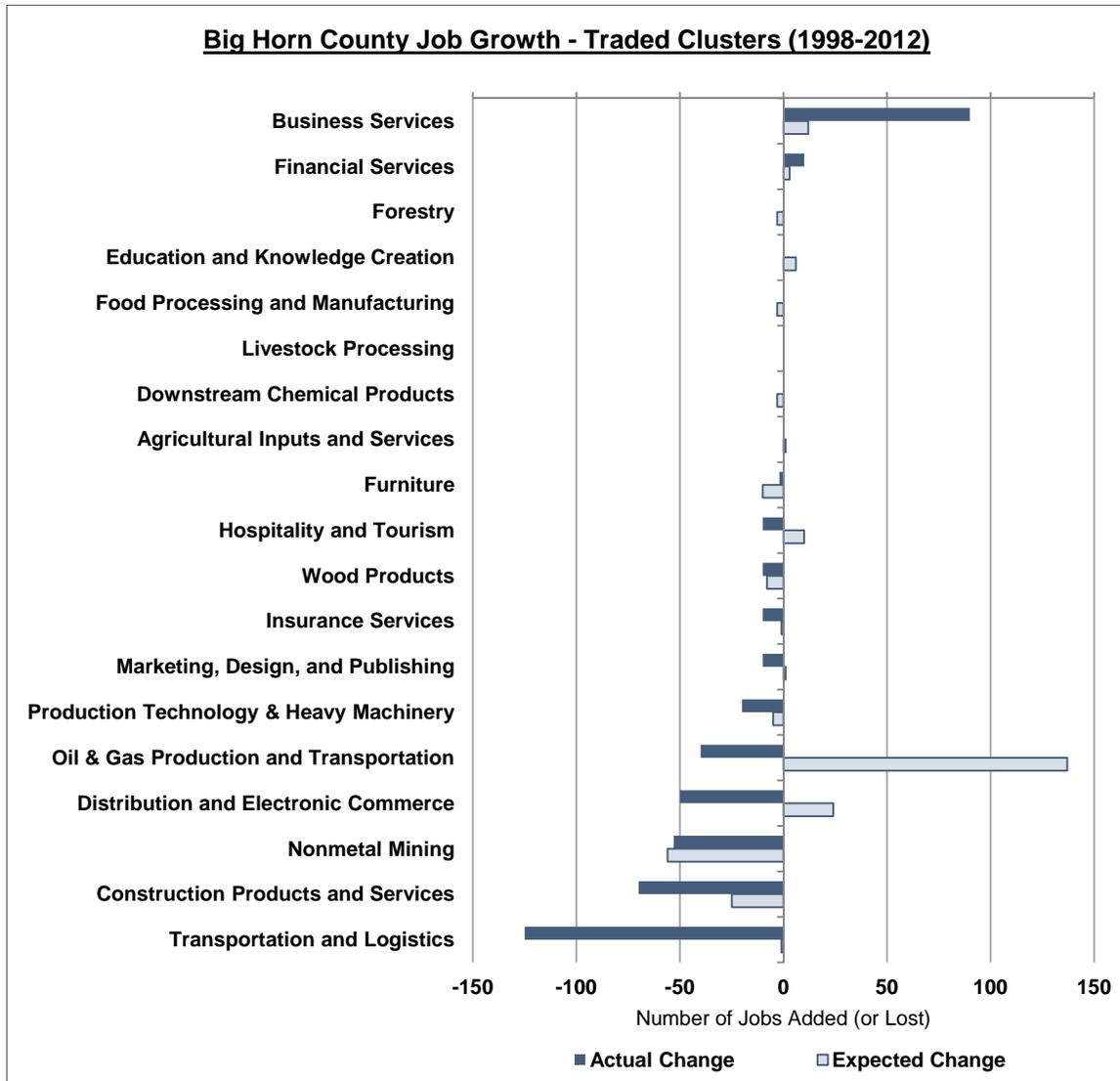
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Keeping in mind that information about some sectors has been suppressed to protect confidentiality, the largest known traded economic clusters are illustrated in the following chart.



Source: Data from U.S. Cluster Mapping Project.

Most of the largest traded economic clusters in Big Horn County are not growing. In fact, since 1998, all but two of the traded clusters have actually lost jobs, as shown below. The “expected change” is the amount of job growth that Big Horn County would have experienced in each industry had the industry kept pace with national growth trends.



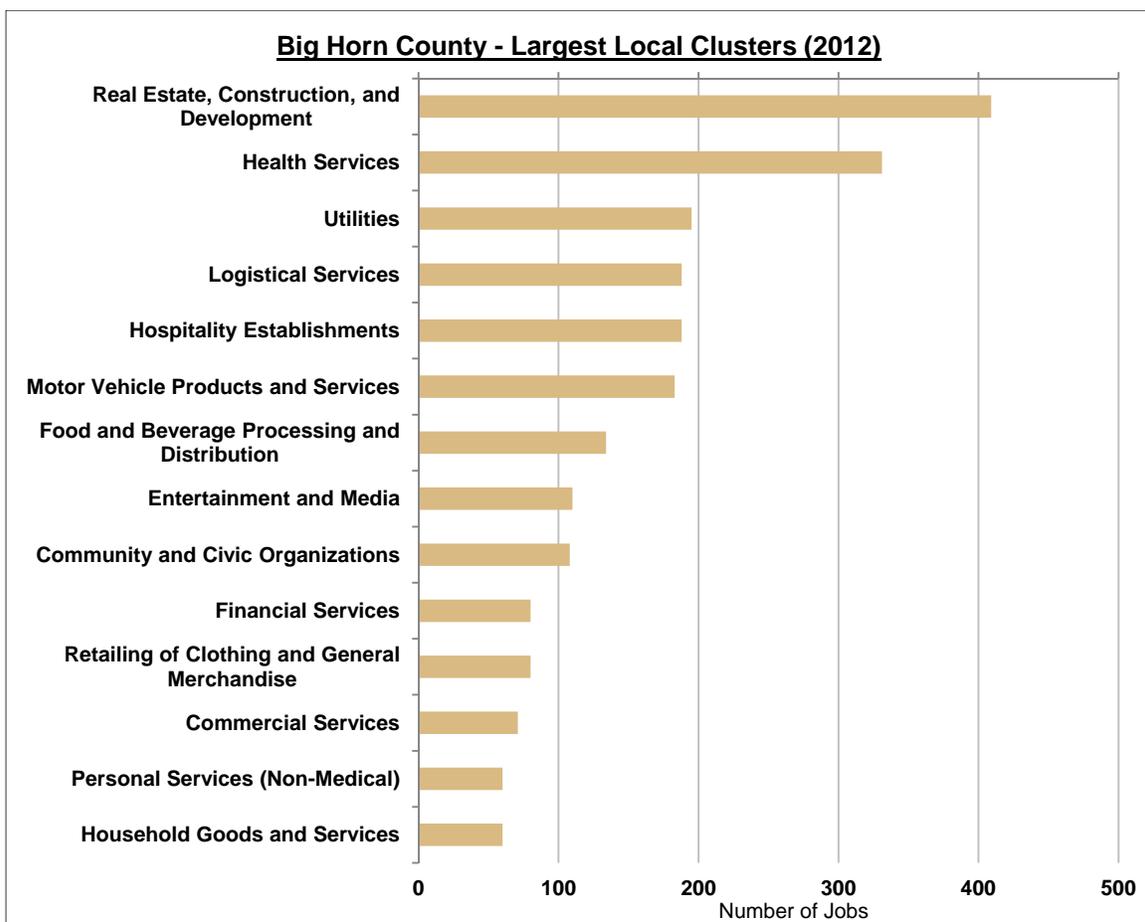
Source: Data from U.S. Cluster Mapping Project.

This lack of job growth in traded economic clusters needs to be understood and, where possible, addressed. On one hand, the expected job growth in the Oil & Gas Production and Transportation cluster can be easily explained away by the remarkable technology advances in drilling and the discovery of large shale oil deposits elsewhere. However, the job growth in the Hospitality and Tourism cluster is consistent with the findings in the location quotient analysis above, identifying tourism and travel as industries that should be targeted by Big Horn County. Overall, if the job loss trend continues, the amount of money coming into the local economy will decline and, in time, threaten the long-term sustainability of the local economy.

CMP’s analysis shows that the largest local economic clusters in Big Horn County include the following clusters:

- Real Estate, Construction and Development
- Health Services
- Utilities
- Logistical Services
- Hospitality Establishments

The largest known local economic clusters are illustrated in the following chart.

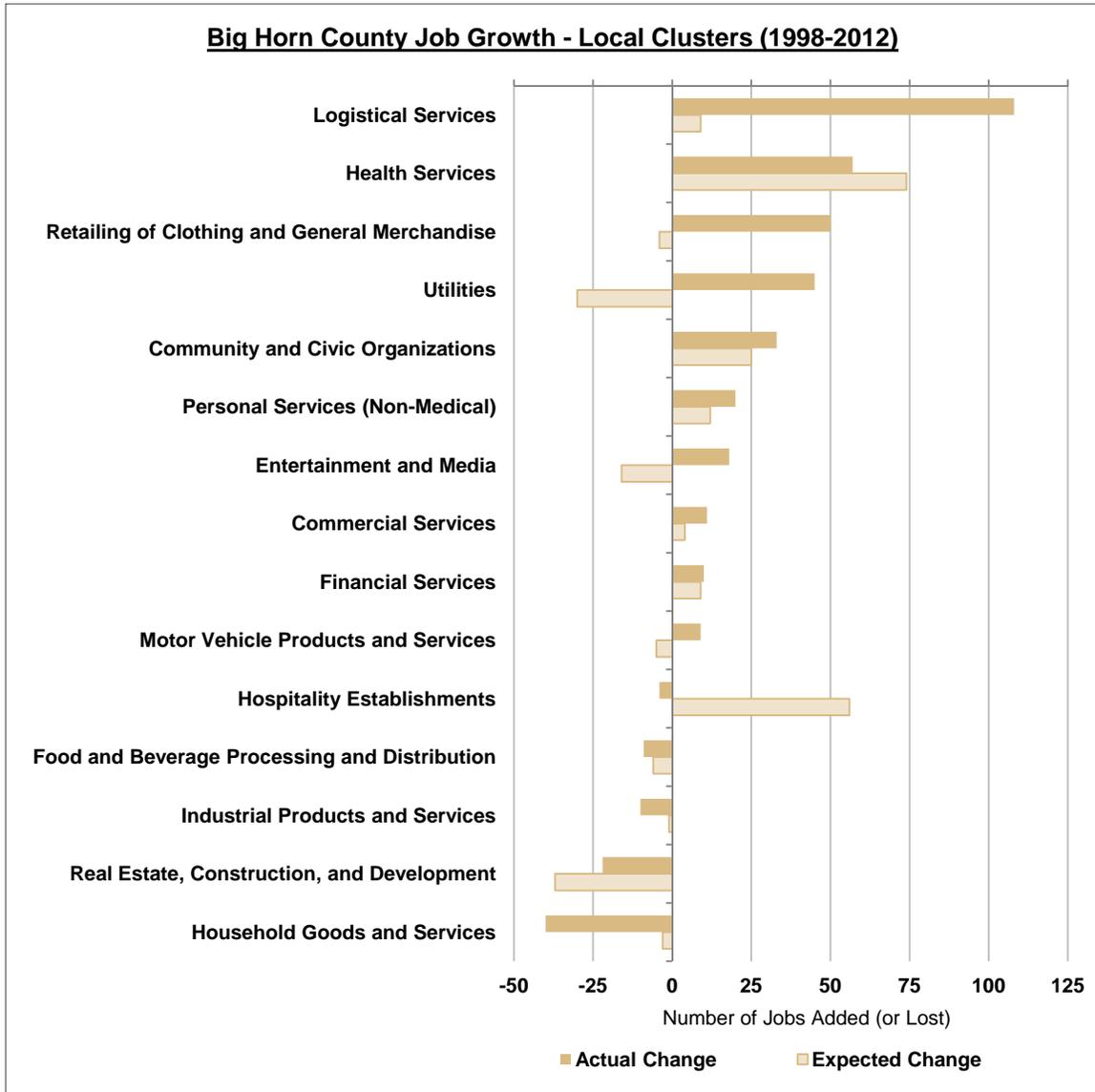


Source: Data from U.S. Cluster Mapping Project.

The much larger size of the local economic clusters (as compared to the traded clusters) is typical of most American economies, as most jobs in a local economy serve local needs.

Unlike traded clusters, many of the local economic clusters have been growing since 1998. However, job growth in the Health Services cluster is lagging, and a much bigger problem is evident with the job losses in the Hospitality cluster (which have occurred at a time when

significant growth was happening elsewhere in the nation). Additionally, the Hospitality local cluster is very closely related to the Hospitality and Tourism traded cluster (in many instances, including the exact same businesses such as restaurants). Thus, there is an even stronger argument for Big Horn County to target development of new hotels, motels, restaurants, and other tourism and travel businesses.



Source: Data from U.S. Cluster Mapping Project.

The job growth in the Health Services cluster is encouraging, but there is room for even more growth. Because that particular cluster pays higher wages and diversifies the economy, it should be prioritized for special efforts.

Of course, Big Horn County should seek to support growth of every cluster. In addition to targeting specific industries (as identified above), Big Horn County should also encourage or

develop initiatives that can support ALL economic clusters. Some key efforts that would help nearly all industries would include the following:

- Improvement of broadband technology
- Improvement of transportation infrastructure (roads, rail, air, etc.)
- Investment in higher education and workforce development
- Increased collaboration and planning among local municipalities, Big Horn County, and state agencies
- Diligent efforts to streamline development and building codes to encourage developers
- Coordinated marketing efforts to promote Big Horn County and its many communities

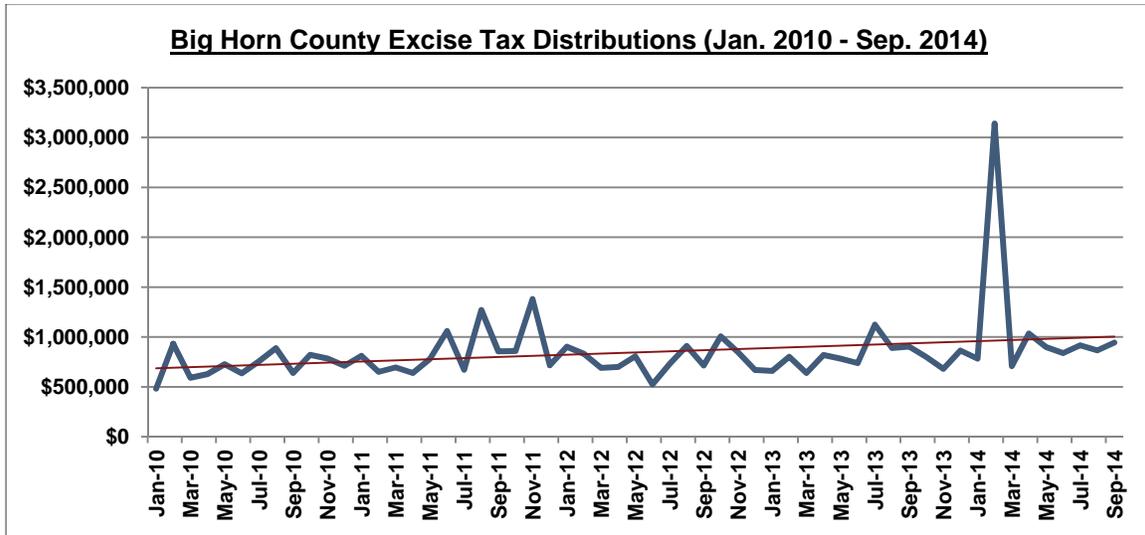
Additional efforts may be identified as Big Horn County continues to improve its economic development efforts.

**Wise Investments in Big Horn County**

- *Improvement of broadband technology*
- *Improvement of transportation infrastructure*
- *Investment in higher education and workforce development*
- *Increased collaboration among local municipalities, Big Horn County and state*
- *Efforts to streamline development and building codes*
- *Coordinated marketing efforts*

## Retail Market Analysis

In fiscal year 2009 (July 2008 to June 2009), monthly excise tax distributions in Big Horn County averaged \$634,942. By fiscal year 2014 (July 2013 to June 2014), average monthly excise tax distributions in the county jumped to \$1,055,160, driven 66.2% higher largely from a one-time spike paid by the mining industry in February 2014. Even without the spike, though, excise tax distributions have been steadily rising as seen by the red trend line in the following graph.



Source: Data from Wyoming Department of Revenue.

While it is not possible to verify an explanation, spike such as the February 2014 distribution are likely caused by an audit or resolution of a tax dispute. Excise tax distributions are the amount of taxes distributed by the State of Wyoming back to local governments (municipalities and counties), based on where sales and use taxes are collected. Distributions within each county are made based on population. While excise taxes are collected by more than the retail industry, they can be a good indicator of the health of the local economy.

The retail industry (i.e., businesses that sell directly to consumers) is a critical part of every local economy. Local residents spend their disposable income to purchase goods and services according to a variety of considerations, including price, selection, customer service, etc. Regardless of where they make purchases, consumer demand can be calculated by examining local income and needs. Likewise, actual sales (supply) can be determined by analyzing sales tax collections and banking information.

For this study, CBI is using data generated by Environmental Systems Research Institute, Inc. (ESRI), a private market data analysis company. ESRI estimates consumer demand (retail potential) by calculating the expected amount spent by consumers, and by comparing it to actual local sales. When there is more demand (potential) than there is supply (sales), there is

retail leakage. Conversely, where there are more sales than demand, then the local market is drawing customers from outside the local area.

Based on ESRI’s data analysis, there are several key retail industries that have a substantial retail gap, or leakage. Those industries that are leaking more than \$1 million annually are identified in the following table.

<b>Big Horn County – Retail Leakage by Industry (2014)</b>			
<b>Industry Group</b>	<b>Demand (potential)</b>	<b>Supply (sales)</b>	<b>Retail Gap</b>
General Merchandise Stores	\$20,506,817	\$203,186	\$20,303,631
Motor Vehicle & Parts Dealers	\$24,758,523	\$5,536,793	\$19,221,730
Automobile Dealers	\$21,121,854	\$2,494,980	\$18,626,874
Other General Merchandise Stores	\$14,637,968	\$203,186	\$14,434,782
Electronic Shopping & Mail-Order Houses	\$8,324,422	\$0	\$8,324,422
Health & Personal Care Stores	\$8,108,540	\$687,643	\$7,420,897
Non-store Retailers	\$9,513,939	\$2,624,480	\$6,889,459
Department Stores Excluding Leased Depts.	\$5,868,849	\$0	\$5,868,849
Clothing & Clothing Accessories Stores	\$4,540,612	\$717,770	\$3,822,842
Clothing Stores	\$3,225,784	\$560,971	\$2,664,813
Other Motor Vehicle Dealers	\$2,293,392	\$0	\$2,293,392
Full-Service Restaurants	\$3,782,976	\$1,548,575	\$2,234,401
Furniture & Home Furnishings Stores	\$2,249,617	\$193,353	\$2,056,264
Food Services & Drinking Places	\$10,233,402	\$8,515,957	\$1,717,445
Bldg Materials, Garden Equip. & Supply Stores	\$4,248,506	\$2,572,583	\$1,675,923
Electronics & Appliance Stores	\$1,572,120	\$110,574	\$1,461,546
Furniture Stores	\$1,271,931	\$193,353	\$1,078,578
Bldg Material & Supplies Dealers	\$3,622,295	\$2,572,583	\$1,049,712

Source: Table based on data from ESRI.

Several of the industries that have retail leakage are currently selling a significant amount of goods and services. In many industries, actual sales already exceed \$1 million annually. Those industries may need assistance with market analysis, marketing, capacity building, inventory management, banking/finance, or other efforts that could help to close the retail gap. Those retail industries with a significant presence include:

- Motor Vehicle & Parts Dealers
- Automobile Dealers
- Full-Service Restaurants
- Food Services & Drinking Places
- Bldg Materials, Garden Equip. & Supply Stores
- Bldg Material & Supplies Dealers

Non-store retailers might also be included in this list, although they are very difficult to identify and assist precisely because they do not have a storefront business. Non-store retailers are defined as retailers that use methods such as broadcasting infomercials, direct-response advertising, catalog sales, door-to-door solicitation, in-home demonstration, selling from

portable stalls and distribution through vending machines. Perhaps a seminar focused on home-based businesses, marketing, business planning, and/or entrepreneurship would draw these some of the non-store retailers to obtain assistance.

Any of the industries that have a significant retail gap could be targeted to expand or recruit new businesses that might help to stem the retail sales leakage. However, it may be more effective to focus business recruitment efforts on those industries that have no local competition at all. At the same time, programs designed to help existing businesses grow (e.g., marketing, business planning, finance, etc.) would be better received by the business community. Most economic growth is, in fact, driven by existing businesses and should, therefore, always be a higher priority for economic developers.



Some of the retail industries that do not have a significant existing presence include the following (Note: CBI is not recommending that these businesses necessarily be recruited – see comments below for explanation):

- Electronic Shopping & Mail-Order Houses
- Department Stores Excluding Leased Departments.
- Other Motor Vehicle Dealers

Much of the market demand for Electronic Shopping & Mail-Order Houses is Internet-based shopping, which is a growing concern for all retailers. In many ways, Internet sales have clearly out-competed most retailers – including the so-called big box stores. However, the Internet is also an excellent sales outlet for home-based businesses and innovative entrepreneurs. Training, supporting, and encouraging local entrepreneurs to seek Internet sales are all good economic development strategies that create jobs, increase income, and bring new money into the local economy.

Department Stores include big box stores. Some, like Wal-Mart, claim that they can operate successfully in regions that have as few as 15,000 residents. However, such stores can cripple or even drive small stores out of business altogether. They should therefore not be recruited, but the amount of retail leakage in this area should be monitored. As it rises, it becomes more likely that a big box store will locate there. Although Wal-Mart may be a reach, several small markets in Wyoming have been impacted by stores such as Family Dollar and Shopko (formerly Pamida).

The Other Motor Vehicle Dealers industry includes retailers who sell motor homes, recreational trailers, campers, motorcycles, recreational watercraft, snowmobiles, off-road all-terrain

vehicles, utility trailers and aircraft. There are a few retailers in Big Horn County that sell some of these types of vehicles, but the market is largely untapped locally. Many locals appear to be purchasing these vehicles in Montana. Yet, given the abundant recreational opportunities in Big Horn County, and the volume of tourism and travel taking place in the region, it would seem to be a good industry for expansion or recruitment in Big Horn County.

In contrast to retail leakage, Big Horn County also has several areas of retail surplus. These are businesses that are selling more goods and services than would be expected to be demanded by the local market. As is typical of other Wyoming communities located on core transportation and tourism corridors, Big Horn County is successfully capturing some of the retail traffic that is travelling through the area. These industry groups are identified in the table below.

<b>Big Horn County – Surplus Retail Sales by Industry (2014)</b>			
<b>Industry Group</b>	<b>Demand (potential)</b>	<b>Supply (sales)</b>	<b>Surplus Sales</b>
Gasoline Stations	\$14,638,663	\$35,679,888	\$21,041,225
Other Miscellaneous Store Retailers	\$1,681,693	\$3,410,438	\$1,728,745
Auto Parts, Accessories & Tire Stores	\$1,343,277	\$3,041,813	\$1,698,536
Direct Selling Establishments	\$1,148,042	\$2,624,480	\$1,476,438
Grocery Stores	\$15,817,314	\$16,741,329	\$924,015
Miscellaneous Store Retailers	\$3,049,622	\$3,725,237	\$675,615
Limited-Service Eating Places	\$5,513,802	\$6,088,918	\$575,116
Drinking Places - Alcoholic Beverages	\$403,292	\$878,464	\$475,172
Food & Beverage Stores	\$17,265,269	\$17,358,860	\$93,591

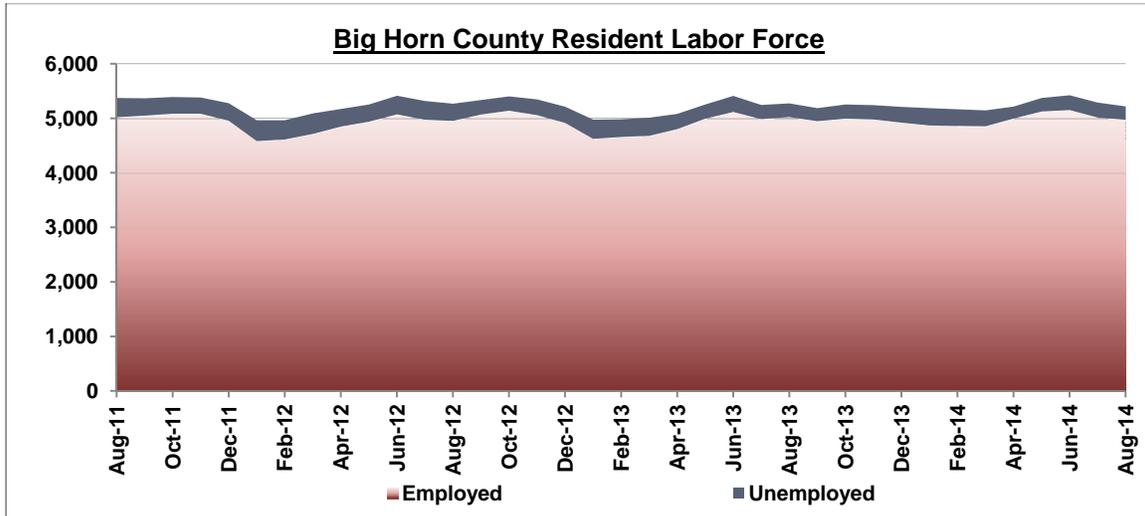
*Source: Data from ESRI.*

The positive impact of businesses that bring in money from outside the local market should not be underestimated. However, it is equally important to realize that such businesses could very well be generating even more sales. The location quotient and economic cluster analyses above strongly suggest that the tourism and travel market, for instance, has even more room for growth. Other businesses, such as Grocery Stores, are successfully drawing consumers from the broader region. To capture more sales from outside markets, local businesses should be interviewed to determine their specific obstacles to growth. It is likely that they could benefit from workforce training, marketing, and financial assistance. Helping these existing businesses grow is a sound economic development strategy.



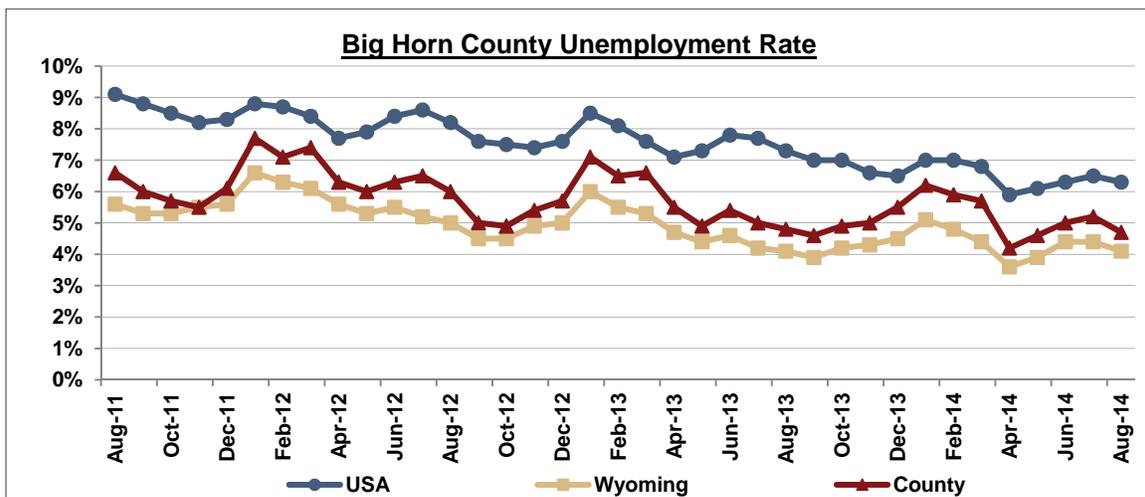
## Labor Analysis

Big Horn County's resident labor force has a seasonal, cyclical pattern, according to Local Area Unemployment Statistics (LAUS). During the last three years, the size of the labor force has averaged 4,935 employees, ranging from an early summer peak of 5,151 workers, to a winter low of 4,583 workers ( $\pm 7\%$ ), as shown in the following chart.



Source: LAUS data from Wyoming Dept. of Workforce Services, Research & Planning Division.

Since 2011, Big Horn County has enjoyed an unemployment rate that is much lower than the national unemployment rate, though unemployment is higher than the Wyoming rate. Since 2011, Big Horn County's unemployment rate has averaged 5.7%; the national rate has averaged 7.6%; and unemployment in Wyoming has averaged 4.9%. All three areas have enjoyed a decreasing unemployment rate during the last three years, as seen below.

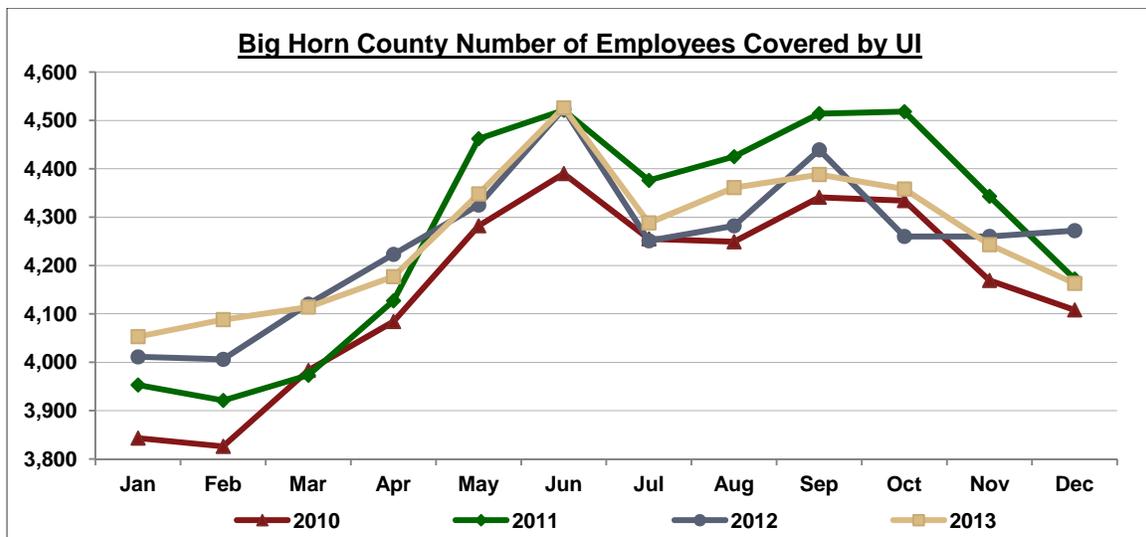


Source: LAUS data from Wyoming Dept. of Workforce Services, Research & Planning Division.

Big Horn County is a typical rural economy, heavily influenced by the agriculture and mineral extraction industries. In addition to county government, there are nine (9) municipalities, four (4) public school districts, and several state and federal agencies in Big Horn County, which means that there is a very large percentage of public employees (35%).

There are several ways to evaluate a local labor force. One of the most reliable data sources for understanding labor markets is the Quarterly Census of Employment and Wages (QCEW). QCEW data includes all workers who are covered by unemployment insurance. It does not include self-employed workers, nor certain others (such as railroad workers, since they are not covered by the same sort of unemployment insurance as most workers). However, the data is derived from actual employment records prepared each quarter by employers as they report wages they have paid to each worker they employ. Additionally, since most workers are covered by unemployment insurance, QCEW provides a good understanding of the entire local economy.

As seen below, the seasonal pattern of employment is evident in the QCEW data, similar to the resident labor force data identified above.

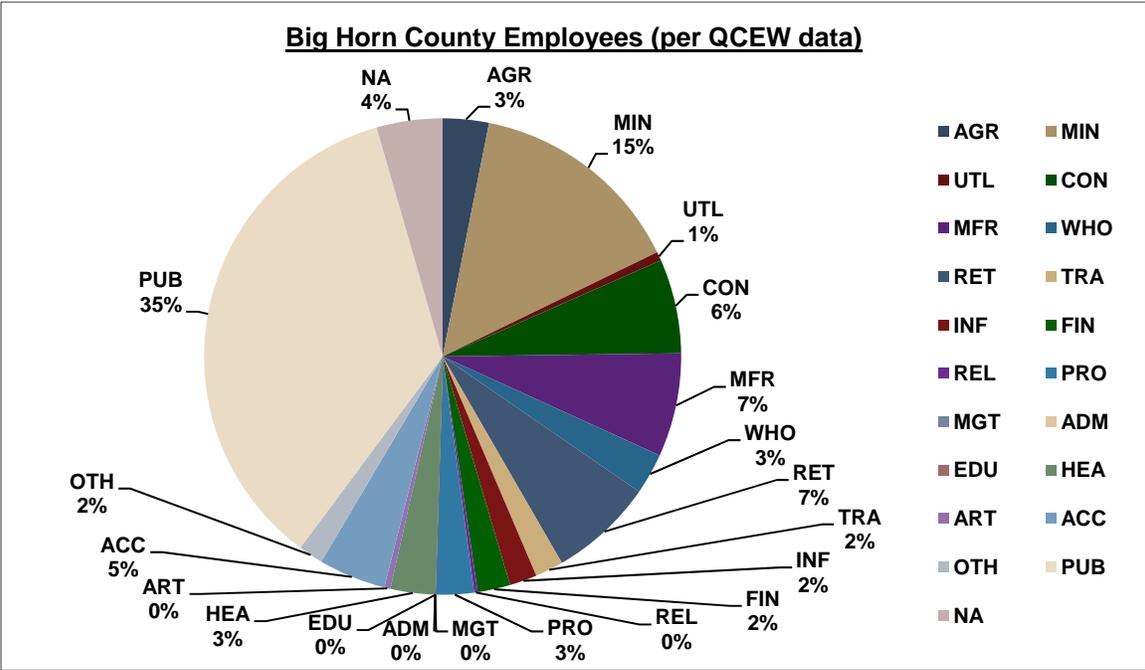


Source: QCEW data from Wyoming Dept. of Workforce Services, Research & Planning Division.

According to the most recent annual data (2013), the largest known industries for employment in Big Horn County are:

- Public Administration (includes government, public schools, hospitals and other government-managed workers), 1,506 employees
- Mining, 625 employees
- Retail, 301 employees
- Manufacturing, 299 employees
- Construction, 272 employees

For small areas such as Big Horn County, some data is suppressed to protect confidentiality. In Big Horn County, 190 employees (about 4% of all QCEW workers) are not classified according to their industry. The percentage of employment in each major industrial sector for all QCEW workers is included in the following chart (see Abbreviation Key in Appendix).



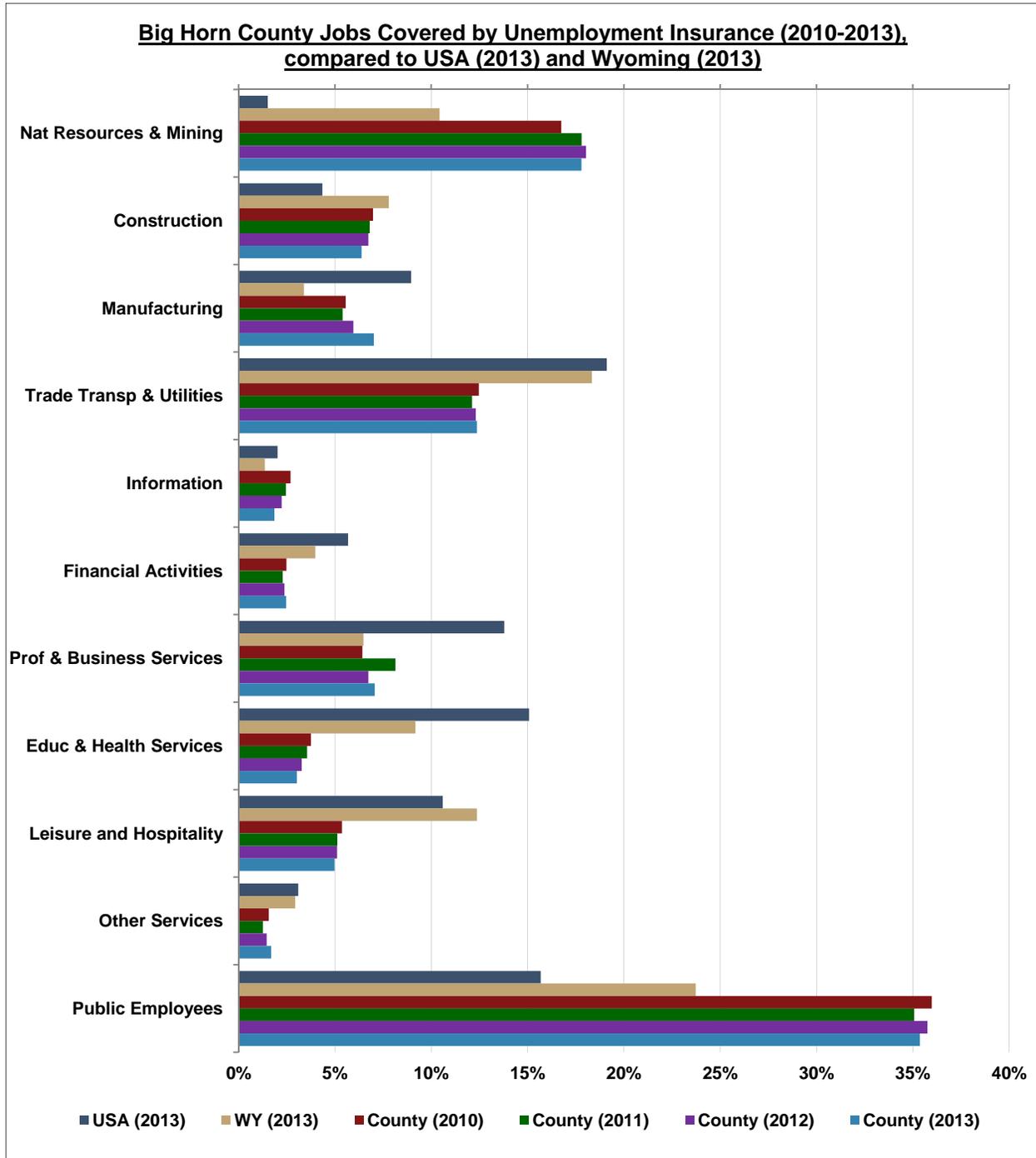
Source: QCEW data from Wyoming Dept. of Workforce Services, Research & Planning Division.

In order to better understand local employment and the relative strength of industry sectors, local QCEW data can be compared to current national and state data. Additionally, local data trends can reveal whether the last few years have strengthened or weakened each industry. Based on that analysis, it is clear that some industry sectors are doing better than others in Big Horn County, as shown in the following table.

Employment Status	2013 Employment	Relative Strength	Trend
Natural Resources & Mining	758	Very Strong	Stable
Construction	272	Strong	Slow Decline
Manufacturing	299	Fair	Steady Growth
Trade Transportation & Utilities	527	Weak	Stable
Information	79	Strong	Slow Decline
Financial Activities	105	Weak	Slow Growth
Prof & Business Services	301	Fair	Slow Growth
Education & Health Services	129	Weak	Steady Decline
Leisure and Hospitality	212	Weak	Slow Decline
Other Services	72	Weak	Slow Growth
Public Employees	1,506	Very Strong	Stable
<b>ALL</b>	<b>4,259</b>		

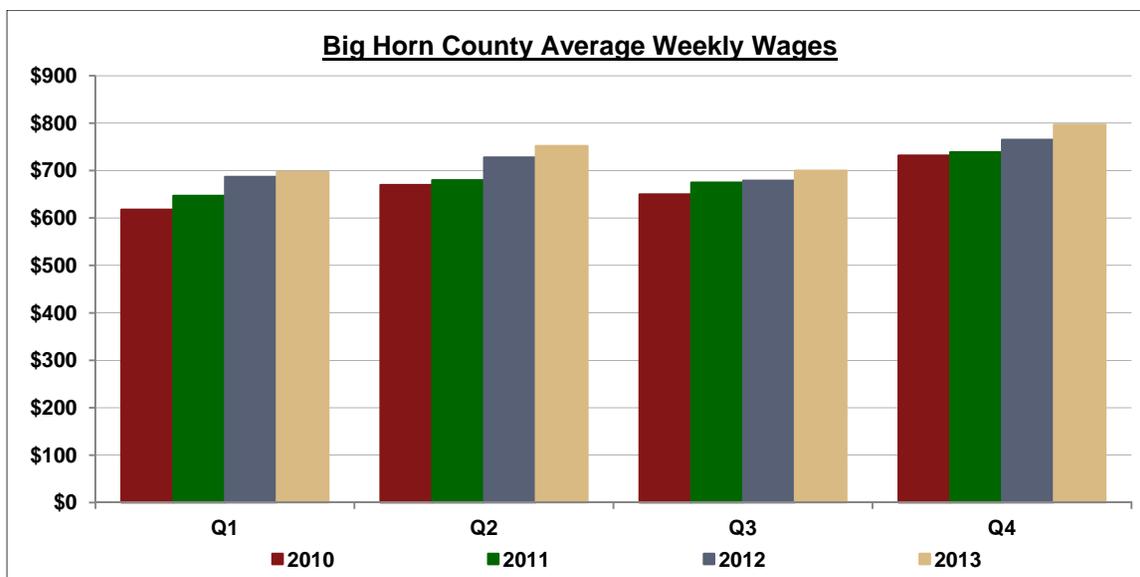
Source: Based on QCEW data from U.S. Bureau of Labor Statistics.

The basis for this employment status analysis is illustrated in the following chart for all industrial super-sectors. This chart shows the relative percentage of employment in each super sector for the nation and the state, following by annual data for Big Horn County (2010 to 2013).



Source: Comparative national and state QCEW data from U.S. Bureau of Labor Statistics.

Big Horn County average weekly wages have been steadily growing, as shown in the following chart, which illustrates quarter average wages from 2010 to 2014, using QCEW data.



Source: QCEW data from Wyoming Dept. of Workforce Services, Research & Planning Division.

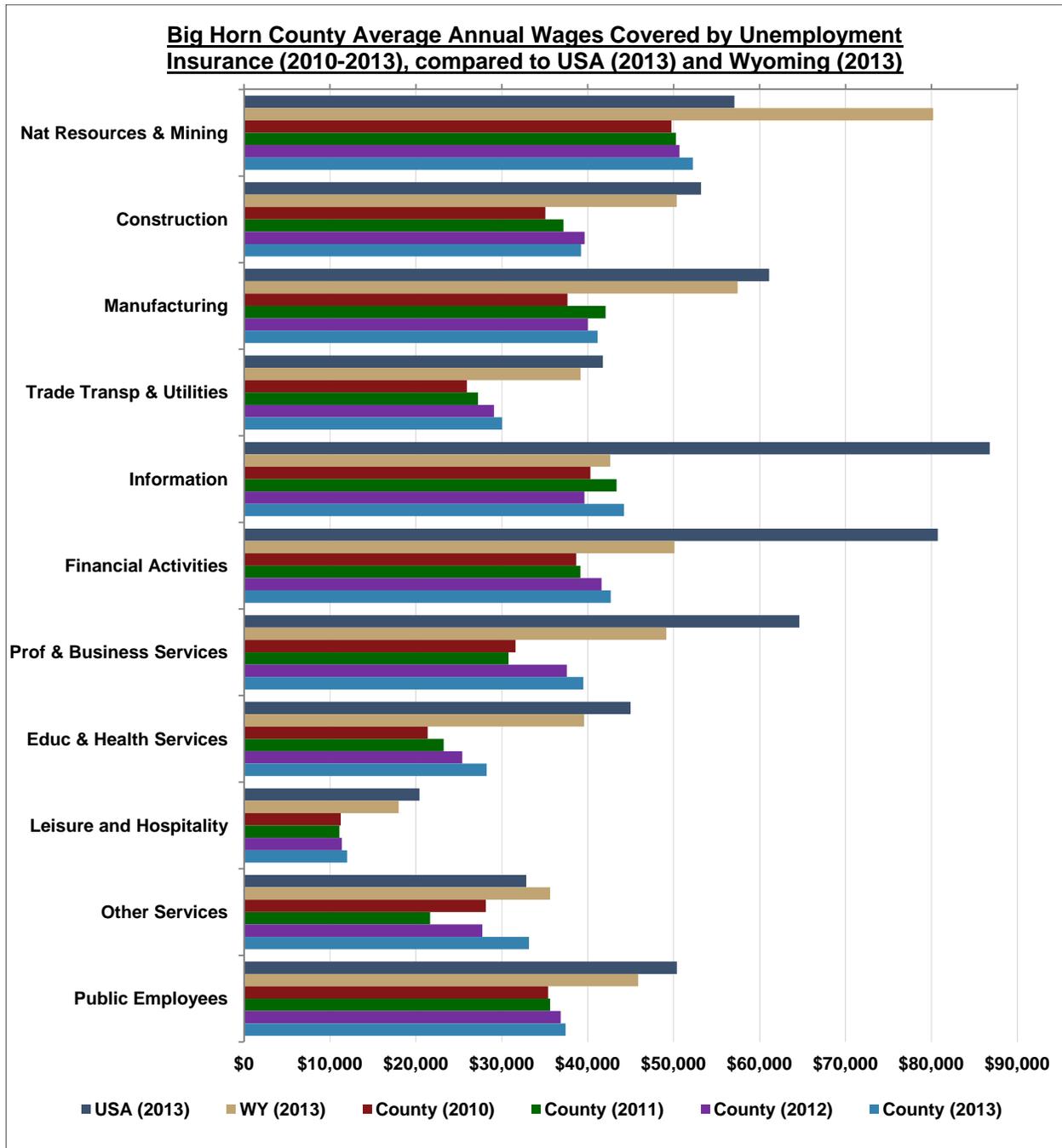
For all jobs covered by unemployment insurance (i.e., QCEW workers), the average annual wage in Big Horn County has been steadily growing, and in 2013 reached \$38,312. However, not all industries are enjoying similar growth, and no industry's wages compare favorably to state or national averages. The following table summarizes CBI's analysis of the relative strength of wages in each industrial super-sector, including each industry's trend for the last four years.

Annual Wage Status	2013 Wages	Relative Strength	Trend
Natural Resources & Mining	\$52,238	Low	Slow Growth
Construction	\$39,215	Low	Steady Growth
Manufacturing	\$41,146	Low	Steady Growth
Trade Transportation & Utilities	\$30,034	Low	Steady Growth
Information	\$44,220	Fair	Inconsistent
Financial Activities	\$42,670	Low	Slow Growth
Prof & Business Services	\$39,493	Low	Steady Growth
Education & Health Services	\$28,232	Low	Steady Growth
Leisure and Hospitality	\$11,996	Low	Stable
Other Services	\$33,157	Low	Inconsistent
Public Employees	\$37,423	Low	Slow Growth
<b>ALL</b>	<b>\$38,312</b>	<b>Low</b>	<b>Steady Growth</b>

Source: Comparative QCEW data from U.S. Bureau of Labor Statistics; analysis by CBI.

The basis for this annual wage status analysis is illustrated in the following chart for all industrial super-sectors. This chart shows the relative percentage of annual wages paid in each

super sector for the nation and the state, following by annual data for Big Horn County (2010 to 2013).



Source: Comparative national and state QCEW data from U.S. Bureau of Labor Statistics.

Low wages can be an important factor for businesses considering relocation or expansion. However, from an economic development perspective, perpetuating low wages is not generally thought to be an effective long-term growth strategy, except in certain cases where unemployment rates are very high. Accordingly, Big Horn County should support efforts that

tend to increase wages (i.e., workforce training, efficiency improvements, marketing, and planning).

Big Horn County’s labor market can also be studied by occupation. Occupational Employment Statistics (OES) in Wyoming are estimated by the Wyoming Department of Workforce Services, Research & Planning Division. OES data is generated following a completely different methodology than the QCEW or the LAUS labor market information discussed above. Accordingly, some of the information may not appear to be consistent, but OES data is nonetheless a reliable source for deeper labor market analysis. The most recent data (May 2013 data updated to the March 2014 employment cost index) demonstrates that Big Horn County has several occupations that are very strong in the local economy, including:

- Production Occupations
- Education, Training, and Library Occupations
- Protective Service Occupations
- Building and Grounds Cleaning and Maintenance Occupations
- Office and Administrative Support Occupations
- Community and Social Services Occupations
- Life, Physical, and Social Science Occupations

Each of these occupations is present in Big Horn County in a larger percentage of employment than is present in Wyoming statewide. All occupations are presented in the following table.

<b>Employment by Occupation - March 2014</b>	<b>Big Horn County Employees</b>	<b>Percent Difference</b>	<b>Wyoming Employees</b>
Production Occupations	320	2.6%	12,850
Education, Training, and Library Occupations	410	2.1%	19,920
Protective Service Occupations	190	2.1%	6,110
Building and Grounds Cleaning and Maintenance Occupations	270	2.0%	11,350
Office and Administrative Support Occupations	630	1.1%	36,630
Community and Social Services Occupations	120	1.1%	4,490
Life, Physical, and Social Science Occupations	110	1.0%	4,180
Healthcare Support Occupations	140	0.8%	6,610
Management Occupations	190	0.0%	12,040
Arts, Design, Entertainment, Sports, and Media Occupations	40	-0.2%	3,100
Computer and Mathematical Occupations	30	-0.3%	2,750
Construction and Extraction Occupations	510	-0.3%	33,070
Personal Care and Service Occupations	90	-0.5%	6,980
Healthcare Practitioners and Technical Occupations	190	-0.6%	13,530
Installation, Maintenance, and Repair Occupations	260	-0.6%	18,170
Architecture and Engineering Occupations	50	-0.7%	5,130
Transportation and Material Moving Occupations	330	-1.0%	23,700
Business and Financial Operations Occupations	50	-1.8%	8,130
Food Preparation and Serving-Related Occupations	260	-3.0%	24,740
Sales and Related Occupations	210	-3.5%	23,110
<b>Total all occupations</b>	<b>4,420</b>		<b>278,910</b>

*Source: OES data from Wyoming Dept. of Workforce Services, Research & Planning Division.*

As presented above, OES data also identifies several occupations that are underrepresented in Big Horn County, including:

- Transportation and Material Moving Occupations
- Business and Financial Operations Occupations
- Food Preparation and Serving-Related Occupations
- Sales and Related Occupations

These occupations, for whatever reason, are not as prevalent as they are statewide. Perhaps because of their scarcity, some of these occupations are in a position to demand wages that are higher than the state median. In particular, Food Preparation and Serving-Related Occupations, and Sales and Related Occupations, pay a premium wage Big Horn County (compared to Wyoming). No other occupations pay as much as the Wyoming median wage, as shown in the following table.

Median Annual Wages by Occupation - March 2014	Big Horn County Wages	Percent Difference	Wyoming Wages
Food Preparation and Serving-Related Occupations	\$19,540	3.3%	\$18,911
Business and Financial Operations Occupations	\$58,270	2.5%	\$56,826
Healthcare Support Occupations	\$27,453	-3.1%	\$28,336
Education, Training, and Library Occupations	\$44,593	-3.6%	\$46,261
Management Occupations	\$76,810	-4.3%	\$80,258
Production Occupations	\$41,625	-7.5%	\$44,991
Protective Service Occupations*	\$37,728	-7.6%	\$40,831
Arts, Design, Entertainment, Sports, and Media Occupations	\$31,673	-8.4%	\$34,570
Construction and Extraction Occupations	\$40,718	-8.7%	\$44,575
Healthcare Practitioners and Technical Occupations	\$53,756	-10.5%	\$60,056
Office and Administrative Support Occupations	\$27,903	-10.6%	\$31,198
Transportation and Material Moving Occupations	\$34,266	-13.2%	\$39,479
Installation, Maintenance, and Repair Occupations	\$40,553	-16.2%	\$48,408
Community and Social Services Occupations	\$36,115	-17.0%	\$43,519
Personal Care and Service Occupations	\$18,793	-17.2%	\$22,694
Architecture and Engineering Occupations	\$53,068	-18.5%	\$65,124
Building and Grounds Cleaning and Maintenance Occupations	\$18,655	-23.3%	\$24,315
Life, Physical, and Social Science Occupations	\$40,560	-24.7%	\$53,840
Sales and Related Occupations	\$18,857	-25.2%	\$25,216
Computer and Mathematical Occupations	\$39,440	-30.6%	\$56,858
<b>Total all occupations</b>	<b>\$34,712</b>	<b>-7.1%</b>	<b>\$37,366</b>

Source: OES data from Wyoming Dept. of Workforce Services, Research & Planning Division. Note that wages for Protective Service Occupations\* are from the Big Horn Region, not Big Horn County.

Several occupations in Big Horn County pay median wages that are significantly lower than the statewide median wage. Consequently, the median wage for all occupations in Big Horn County is 7.1% lower than the Wyoming median wage. Big Horn County should be especially concerned about finding ways to raise wages for those occupations that should be paying high wages, such as:

- Management Occupations
- Healthcare Practitioners and Technical Occupations
- Architecture and Engineering Occupations

Workforce training, employer training, business planning, and executive recruitment efforts are the kinds of support mechanisms that can be created to help increase wages for these important occupations. Likewise, Big Horn County should make similar efforts to raise wages for those occupations that have many workers in them, including:

- Office and Administrative Support Occupations
- Construction and Extraction Occupations
- Education, Training, and Library Occupations
- Transportation and Material Moving Occupations
- Production Occupations
- Building and Grounds Cleaning and Maintenance Occupations
- Installation, Maintenance, and Repair Occupations
- Food Preparation and Serving-Related Occupations
- Sales and Related Occupations

Because each of these occupations includes more than 200 workers, efforts to increase wages for these occupations will have a very significant and positive impact on the local economy. Therefore, Big Horn County should prioritize such efforts.

## INVENTORY, SURVEY RESULTS & SWOT ANALYSIS

### Inventory

CBI generated an inventory of existing commercial and industrial businesses to determine the products and services available in Big Horn County. This inventory is based on CBI's observations during site visits, interviews, a current list of active businesses filings with the Wyoming Secretary of State, and referenceUSA® data. Although some of the detailed information has not been verified, it is the best information available given the scope of this study. The Wyoming Secretary of State database of business filings for active companies in Big Horn County has just 160 corporations, partnerships, and limited liability companies. This limited availability of information necessitated the use of unverified data (though referenceUSA® is a well-respected collector of business activity).

The inventory of businesses includes gross estimates of jobs and sales. The inventory should be used only to gain a general idea of Big Horn County products and services. Based on this inventory, there are approximately 1,200 businesses, organizations, and employing units in Big Horn County. These entities employ nearly 7,400 workers (many of whom are part-time employees who are working more than one job, and are therefore counted more than one time in the inventory). About 73% of employees are working in one of the three largest communities (Basin, Greybull, and Lovell). However, even the smaller communities show evidence of active entrepreneurship and business activity.

Businesses in Big Horn County generate as much as \$2.2 billion in products and sales each year. The products with the greatest value are petroleum products, sugar and other agriculture products, and non-metallic mined materials. Not all of these sales are subject to excise tax, but are sold wholesale or exported. The three largest municipalities in the county (Basin, Greybull, and Lovell) generate 80% of these sales.

According to the inventory, employment is diversified across several industries. The three largest industries (Construction, Education, and Public Administration) represent nearly 40% of all employment in Big Horn County. Manufacturing is the single biggest producer of sales in Big Horn County (\$1.26 billion), followed by the Construction and Wholesale sectors. It is important to recognize that many of these sales are for wholesale/export purposes, not subject to excise tax.

While the inventory of the local market discussed above is based on estimates and a variety of sources, there is one source of commercial and industrial activity that is much more certain. The County Assessor's tax rolls identify the number of parcels, size, and value of real property in Big Horn County. Analysis of those comprehensive records reveals that there are 462 sites that have been improved to support non-housing commercial activity, valued at \$13.2 million. Another 14 parcels have been developed for industrial uses, valued at \$861,641. These parcels and other attributes are provided in the following table.

<b>Big Horn County - Commercial &amp; Industrial Property (per Assessor's database)</b>					
<b>Property Type</b>	<b>Parcels</b>	<b>Acres</b>	<b>Square Feet</b>	<b>Assessed Value</b>	<b>Actual Value</b>
Commercial - Improved Land	462	1,558	67,861,217	\$1,257,999	\$13,242,012
Commercial Vacant	74	417	18,161,606	\$182,174	\$1,917,641
<b>Total Commercial</b>	<b>536</b>	<b>1,975</b>	<b>86,022,823</b>	<b>\$1,440,173</b>	<b>\$15,159,653</b>
Industrial - Improved Land	14	639	27,814,466	\$99,089	\$861,641
Industrial Vacant	138	29,486	1,284,397,092	\$473,108	\$4,113,863
<b>Total Industrial</b>	<b>152</b>	<b>30,124</b>	<b>1,312,211,558</b>	<b>\$572,197</b>	<b>\$4,975,504</b>
<b>TOTAL Commercial &amp; Industrial</b>	<b>688</b>	<b>32,099</b>	<b>1,398,234,381</b>	<b>\$2,012,370</b>	<b>\$20,135,157</b>

Source: Data compiled from Wyoming Computer Assisted Mass Appraisal (CAMA) 2014 data.

It should be noted that the County tax assessment process develops two different values: Assessed Value and Actual Value. In Wyoming, a property tax is assessed against a portion of the market value of taxable property. For residential and commercial property, property taxes are assessed against 9.5% of the actual market value; for industrial property, taxes are assessed against 11.5% of the actual market value. In the chart above, the “Actual Value” provided is the amount that the County Assessor has calculated as the market value of such property. The “Assessed Value” is the taxable portion of the property, using the 9.5% or 11.5% value assessments, as appropriate.

In addition to the improved land (i.e., land with buildings on it), there is some capacity for Big Horn businesses to grow, especially industry. According to the CAMA data, there currently are 74 vacant commercial sites (with 417 acres), and 138 vacant industrial sites (with nearly 30,000 acres) in Big Horn County (see table above). Together, the improved and vacant commercial and industrial land is valued at more than \$20 million, as of 2014.

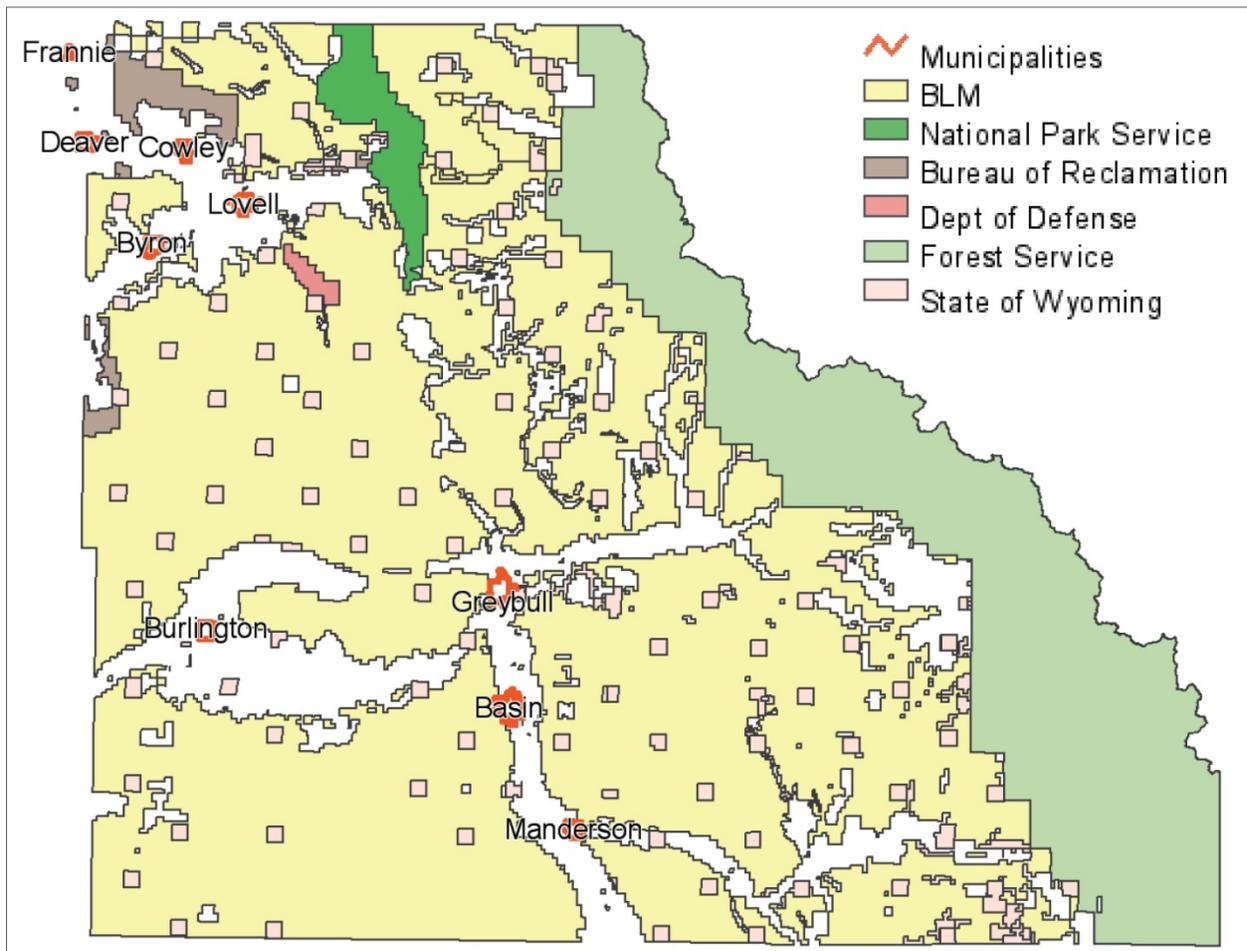
## Public Land

More than 80% of Big Horn County’s land is owned by the government, mostly the Bureau of Land Management (BLM) – which by itself owns more than 57% of all land in the county. According to the Big Horn County Master Plan, a variety of federal agencies own 77% of land in Big Horn County, as listed below.

<b>2009 Land Ownership</b>	<b>Acres</b>	<b>Percent</b>
Bureau of Land Management (BLM)	1,160,612	57.2%
Forest Service (non-wilderness)	268,852	13.2%
Forest Service (wilderness)	82,374	4.1%
National Park Service	26,725	1.3%
Bureau of Reclamation	20,324	1.0%
Department of Defense	3,542	0.2%
State of Wyoming	83,055	4.1%
Private	383,614	18.9%
<b>Total</b>	<b>2,029,102</b>	<b>100.0%</b>

Source: Table based on 2009 BLM land records.

The full scope of public land ownership is demonstrated in the following map.



*Source: Map adapted from Big Horn County GIS/Map Server (2014).*

This map makes it very clear that Big Horn County land ownership is dominated by public agencies, except in and along highways, municipalities, and some established communities. Although the BLM and Forest Service lease some of their land for agricultural production and/or mineral extraction, the very nature of the public ownership prevents significant development.

Because much of the desired commercial and primary job creation (e.g., manufacturing) tends to occur in and around existing communities (where infrastructure is already developed), the pattern of public land ownership should not prevent meaningful economic development. In fact, based on the Big Horn County Assessor's data, there appears to be a significant amount of vacant industrial land (nearly 30,000 acres) that is privately owned and therefore available for immediate development. Additionally, less than 80% of all commercial land has been developed. The following table identifies land that the County Assessor has assessed according to its intended use.

2014 Big Horn County Assessor Data	Acres	Percent
Agricultural Production	308,680	83.8%
Residential	25,288	6.9%
<i>Residential - Improved</i>	12,317	3.3%
<i>Residential - Vacant</i>	12,971	3.5%
Commercial	1,975	0.5%
<i>Commercial - Improved</i>	1,558	0.4%
<i>Commercial - Vacant</i>	417	0.1%
Industrial	30,124	8.2%
<i>Industrial - Improved</i>	639	0.2%
<i>Industrial - Vacant</i>	29,486	8.0%
Exempt	2,469	0.7%
<b>Total</b>	<b>368,536</b>	<b>100.0%</b>

Source: Data from Wyoming Department of Revenue/CAMA database (2014).

This data demonstrates that Big Horn County has significant acreage of privately owned land available for residential, commercial, and industrial development.

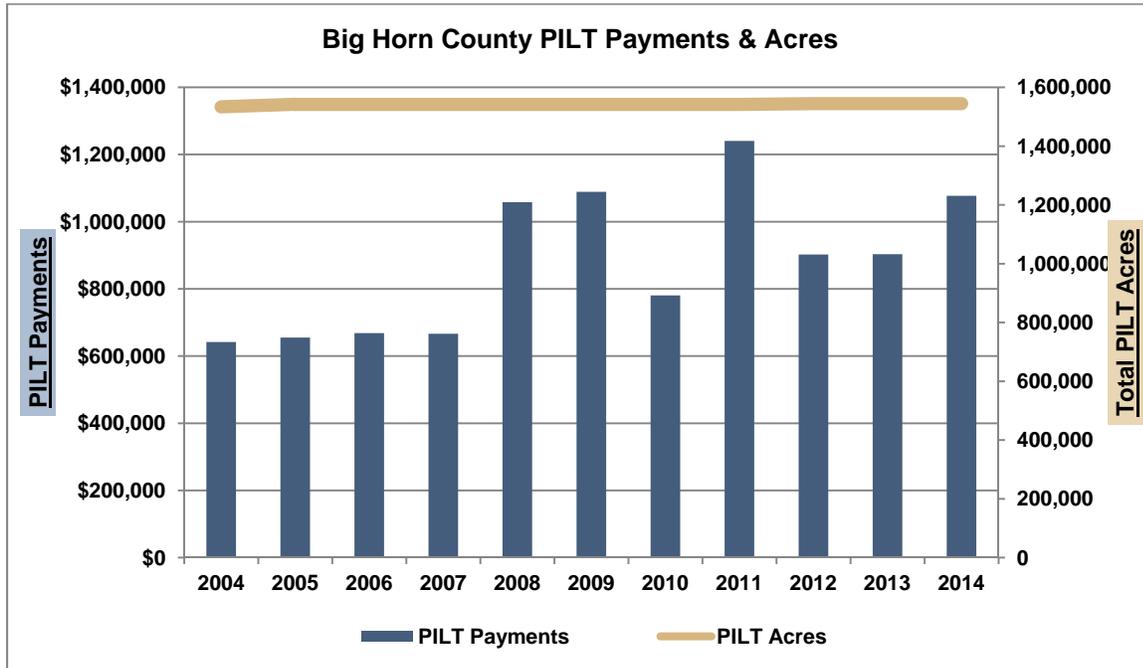
Although there is ample room for development, one consequence of the vast public lands in Big Horn County is the cost to provide services to that land. These services include road and bridge maintenance, law enforcement, search and rescue, emergency medical, fire protection, solid waste disposal, and environmental compliance. However, public lands cannot be taxed by local governments, so no property taxes are collected and the cost burden for these services shifts to local governments. Payments in Lieu of Taxes (PILT) are federal payments to local governments that help offset losses in property taxes due to non-taxable Federal lands within their boundaries.

PILT payments to Big Horn County for the last several years are identified in the following table, along with the acreage of each relevant federal agency's land ownership.

Fiscal Year	Big Horn County - PILT Acres, by Federal Agency					PILT Amount
	Bureau of Land Management	Forest Service	Bureau of Reclamation	National Park Service	Total Entitlement Acreage	
2004	1,095,578	351,153	69,614	17,322	1,533,667	\$641,615
2005	1,103,778	351,153	69,614	17,322	1,541,867	\$655,303
2006	1,103,718	351,153	69,614	17,322	1,541,807	\$668,263
2007	1,103,638	351,153	69,614	17,322	1,541,727	\$666,305
2008	1,103,638	351,153	69,614	17,322	1,541,727	\$1,057,978
2009	1,103,637	351,153	69,614	17,322	1,541,726	\$1,088,755
2010	1,103,637	351,153	69,614	17,322	1,541,726	\$780,615
2011	1,103,637	351,153	69,613	17,322	1,541,725	\$1,240,557
2012	1,106,546	351,153	69,613	17,322	1,544,634	\$902,283
2013	1,106,546	351,153	69,613	17,322	1,544,634	\$903,000
2014	1,106,546	351,253	69,613	17,322	1,544,734	\$1,076,874

Source: Data from U.S. Department of the Interior/PILT website.

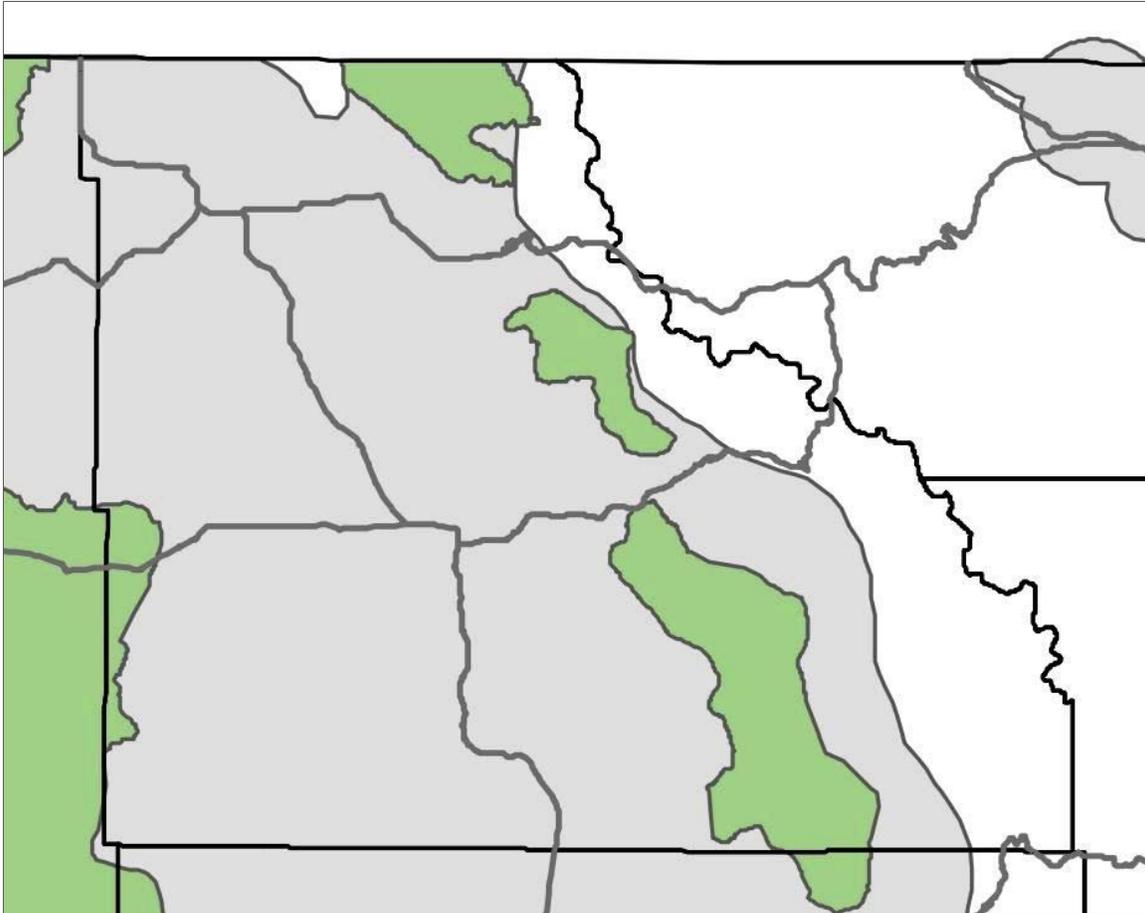
Although PILT payments are an important revenue stream for Big Horn County, their continuation and future amounts of PILT payments are very uncertain. Until 2008, PILT payments were not even fully funded at their authorized level. Since 2008, Congress has appropriated sufficient funds to make full PILT payments. Even though the amount of federal land has remained relatively constant, the amount of PILT payments has been inconsistent, as shown in the chart below.



Source: Chart based on Data from U.S. Department of the Interior/PILT website.

Currently, there is a lively debate about whether future PILT payments will be made at all. Consequently, Congress is tending to appropriate PILT funding on an annual basis while it seeks to find a sustainable option to pay for local services. Until a permanent solution is found, Big Horn County will be at risk of losing some or all of its PILT funding.

A second consequence of the vast public lands in Big Horn County is that development can be highly regulated. In particular, mineral extraction, environmental controls, and species protection can severely impact the use and development of all lands. For example, the State of Wyoming is currently attempting to stave off federal protection of the Sage Grouse species. That state-led attempt has identified core management areas for the Sage Grouse, with the hope that the species can be preserved without becoming “endangered.” In Big Horn County, core management areas are found in the mountains to the east and on the western boundary of the county, as shown in the following map (green shaded areas).



*Source: Map adapted from Wyoming Game & Fish/Sage-Grouse Core Management Areas map.*

If the state effort succeeds, then perhaps federal protection regulations will not be imposed. However, if the federal government invokes the protections of the Endangered Species Act, then nearly all of Big Horn County could be affected, since nearly all of the land is currently a Sage Grouse distribution area (gray shaded area in map above). Of course, other species in the region could bring similar protections that limit development rights.

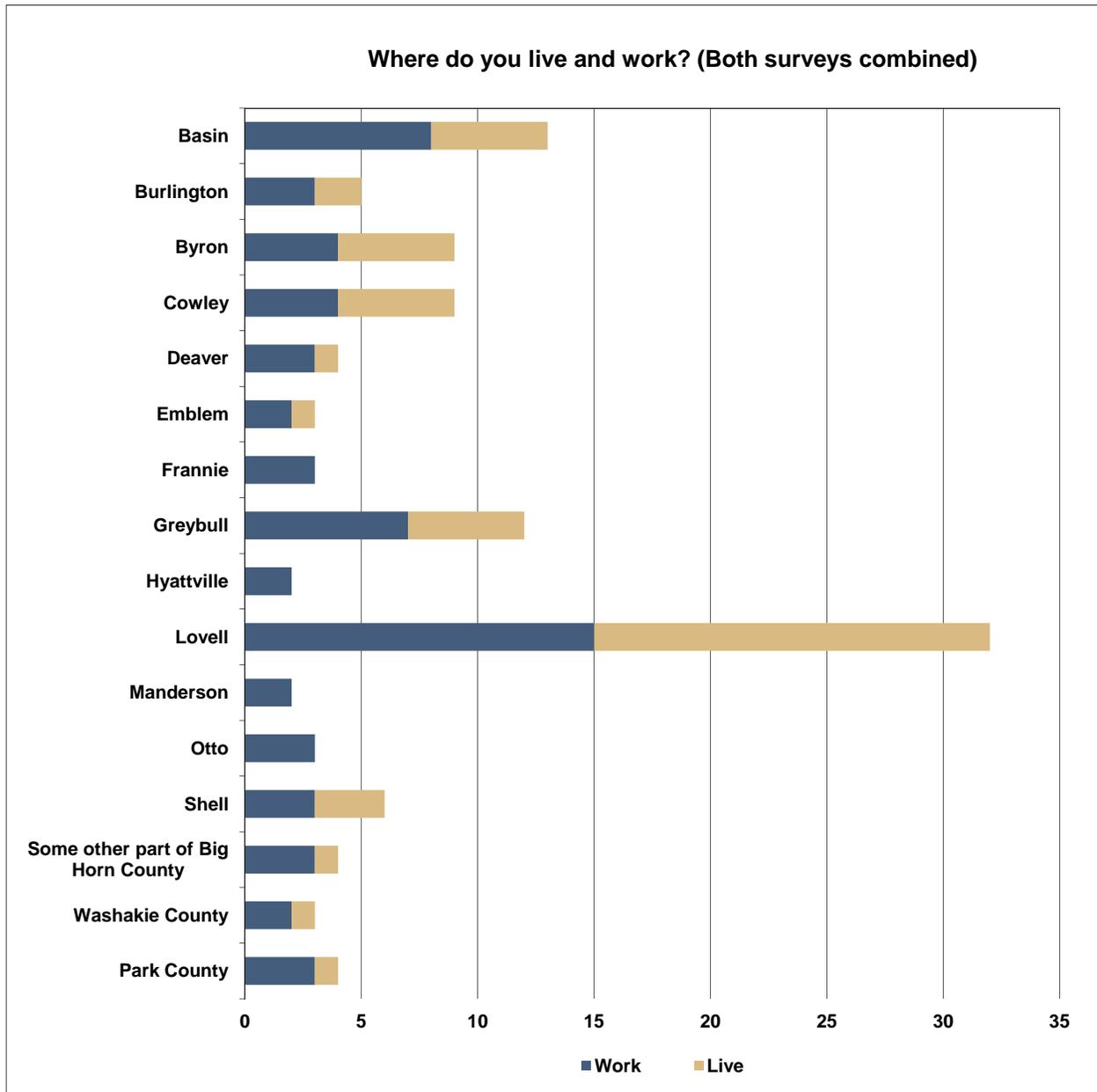
Finally, mineral extraction leases and regulations have become a continual challenge for mining companies, including oil and gas production. Although these regulations apply only to specific activities, the vastness of public land ownership in Big Horn County magnifies the impact on the local economy. Creation of new jobs and taxes can be severely inhibited with even the threat of new federal regulations, and existing regulations provide an ongoing administrative burden for many employers in the area.

## **Survey Results**

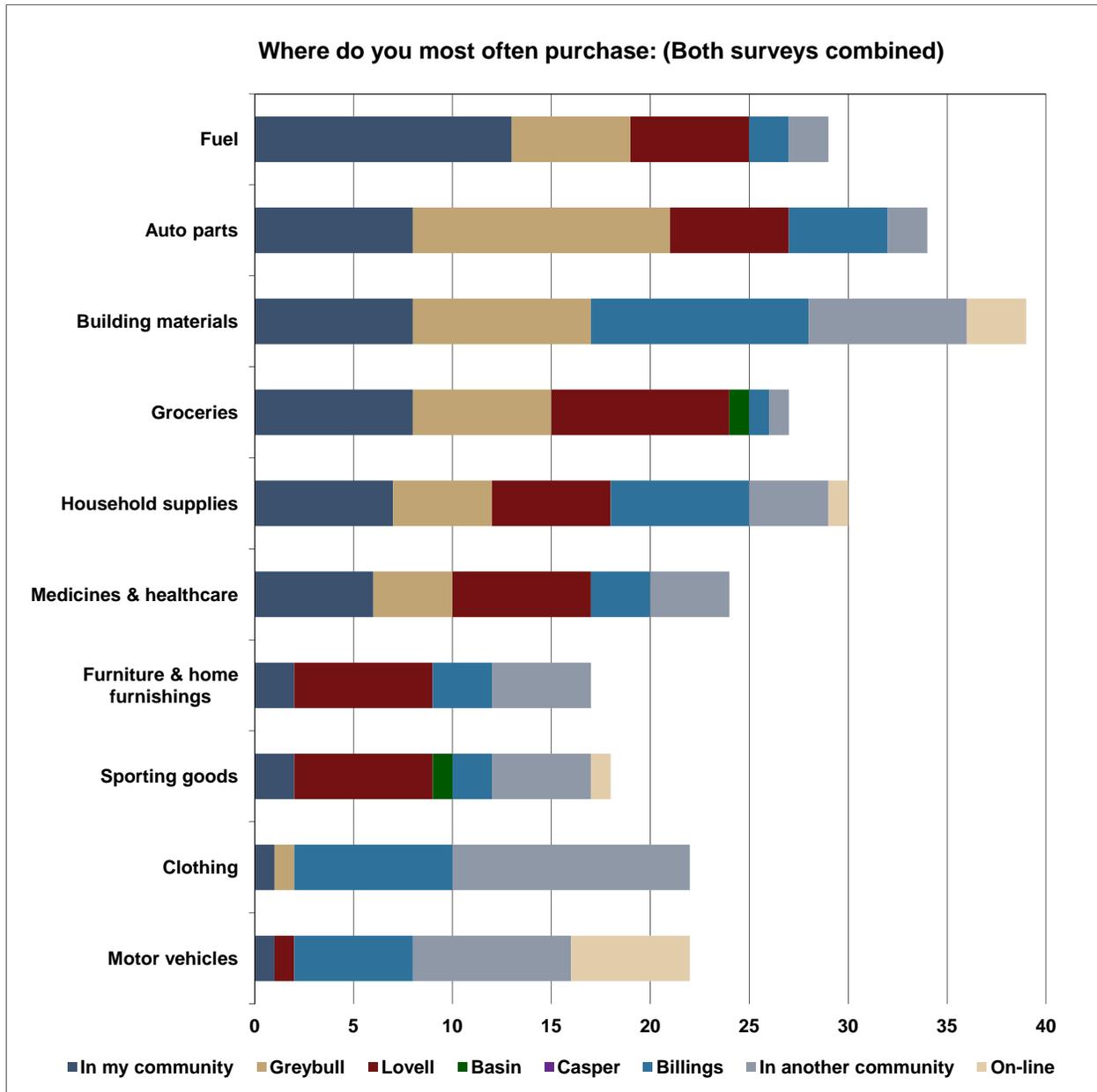
Although the surveys generated just 48 responses, the responses are particularly helpful for evaluating local opinions about Big Horn County's economy. In many cases, the survey

responses from both surveys were very consistent, and so those have been combined in the discussion below.

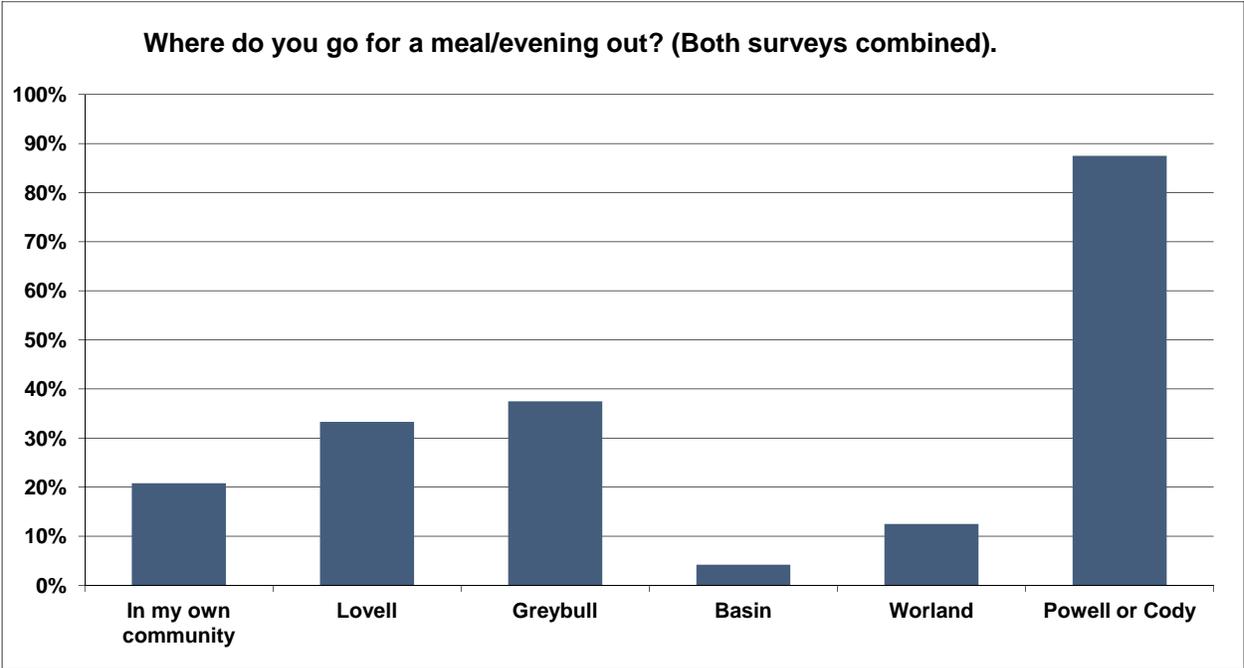
Most survey responses came from the larger communities, but there were responses from people who lived or worked in every Big Horn County community, as shown on the following chart.



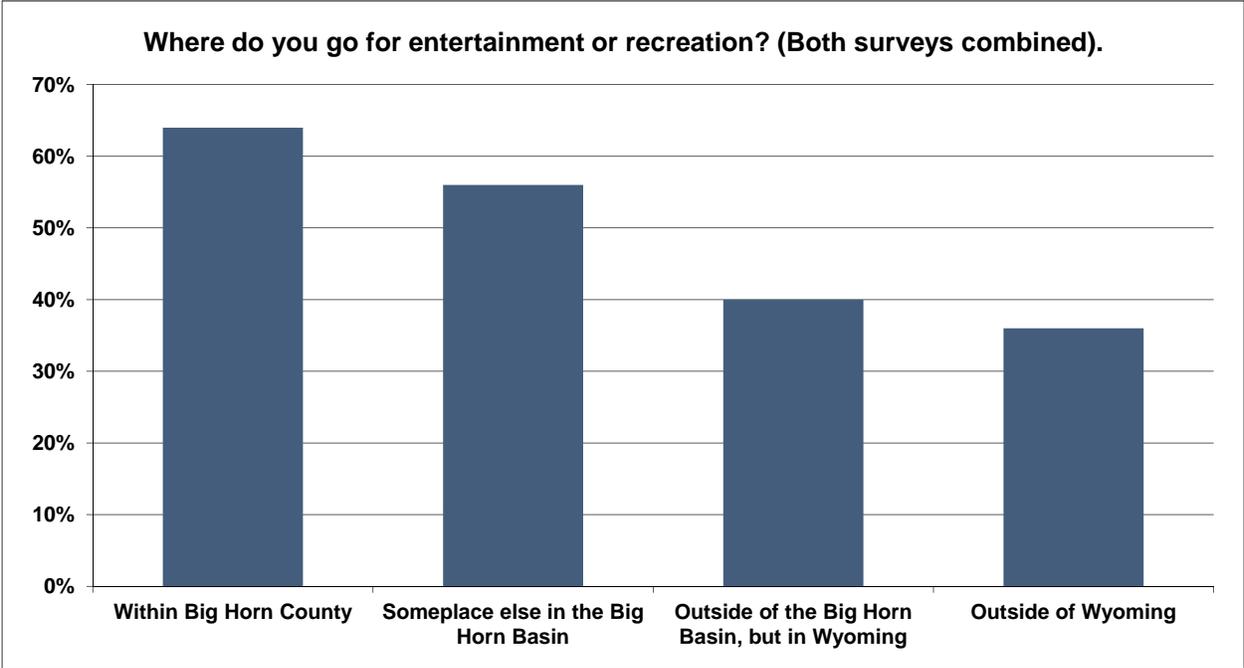
Survey responses to questions that were designed to determine where residents were shopping and otherwise spending money demonstrate that many residents are purchasing what they need locally, but shopping elsewhere for large purchases, items that are only occasionally bought, and things such as clothes that generally require the retailer to maintain a large selection of choices for consumers. For example, the following graph shows that many Big Horn County residents are buying their fuel, auto parts, and groceries locally. However, motor vehicles, clothing, sporting goods, and furniture tend to be purchased outside of Big Horn County.



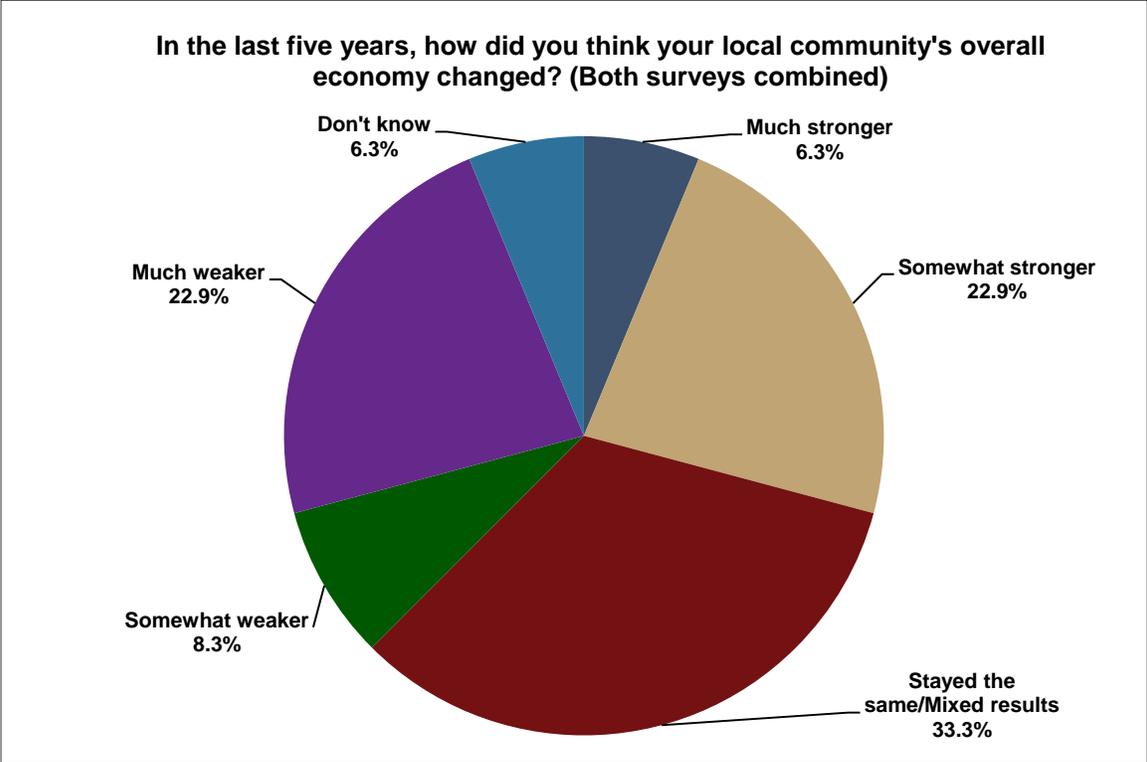
Meals and/or an evening out tend to motivate Big Horn County residents to do some traveling, especially to Cody or Powell, as seen below.



In contrast, most survey respondents are staying in Big Horn County for entertainment or recreation. A smaller majority of residents also enjoy other places in the Big Horn Basin for entertainment or recreation, as seen in the following chart.



There is a very broad range of opinions about the strength of the local economy. About 29.2% believe that it became stronger in the last five years; 31.3% think it is weaker; 33.3% think it stayed the same or has had mixed results; and 8.3% just do not know, as seen below.



There are several ways to interpret the survey results on the strength of the local economy. First, it could mean that the economy really has had mixed results in the last five years. Alternatively, it could suggest that many people in Big Horn County are not well informed about the economy – or simply do not care. If that is the case, then there is a need for an educational effort on the benefits of a strong economy. Of course, all of these explanations may be true.

In addition to the topics addressed above, the open-ended survey responses to questions about local strengths, weaknesses, opportunities, and threats are incorporated into the following SWOT analysis.

## SWOT Analysis

All of the objective data, surveys, interviews, and observations gathered by CBI can be summarized according to Big Horn County's economic development Strengths, Weaknesses, Opportunities, and Threats (SWOT). Further, the SWOT analysis is also categorized according to the so-called "building blocks" of economic development, which will lead to identification of specific actions and steps that need to be taken to effectively grow Big Horn County's economy. As noted before, the building blocks of economic development include:

- Leadership/Civic Development/Public Policy
- Quality of Life
- Workforce Development
- Infrastructure Development
- Existing Business Development
- Entrepreneur Development
- New Business Recruitment

Using these building blocks, the strengths, weaknesses, opportunities, and threats for economic development in Big Horn County are detailed below.

### Strengths

Economic development strengths are characteristics of Big Horn County that allow economic developers to take advantage of opportunities and to encourage growth of the local economy. They include:

#### Leadership/Civic/Policy

- Mayors communication group - promotes unity and communication, enhances teamwork potential
- Minimal local regulation of business and industry

#### Quality of Life

- Location
  - Just west of Big Horn Mountains
  - Outdoor activities and possibilities in abundance
  - Proximity to Yellowstone National Park, Big Horn Mountains, and Thermopolis Hot Springs
- Recreation and outdoor living
  - Big Horn Lake
  - Meadowlark Lake
  - Pryor Mountain Wild Horses
- Safe, friendly communities



- Rural lifestyle

### Workforce Development

- Educational enrollment
- Declining unemployment
- Good work ethic locally
- Wages are slowly increasing

### Infrastructure Development

- Transportation
  - Highway access: To-from all four directions (to/from East seasonal)
  - BNSF Railroad (Laurel-Denver line) - proximate to Deaver, Frannie, Cowley, Lovell, Greybull, Basin, and Manderson)
  - Air Service: Passenger at Cody
  - Generally good condition of highways
- Telecommunications
  - Decent Broadband access



### Existing Business Development

- Agriculture
  - Sugar beet farms and sugar processing facility
  - Productive ranches and farms - beef, beans, beets, barley!
- Mining, Oil & Gas
  - Bentonite deposits, mines, production facilities
  - Some oil production (mostly older production)
- Utilities capacity
- Construction presence
- Manufacturing growth
- Retail surplus sectors (e.g., gas stations)
- Public employees (number and wages) – could also be considered a weakness because of tax cost



### Entrepreneur Development

- Low property and sales taxes; no state/local income tax
- Minimal regulations

- Plenty of vacant commercial and industrial land

#### New Business Recruitment

- Low taxes
- Vacant commercial and industrial land

### Weaknesses

Economic development weaknesses are characteristics in or about Big Horn County that could stand in the way of economic growth. Weaknesses include:

#### Leadership/Civic/Policy

- North and South political, religious, cultural differences
- Inconsistent building codes and enforcement
- Apathy, negative attitudes, “turf” issues
- Communication between elected leaders and residents

#### Quality of Life

- Limited restaurant options for eating out locally
- Long distances to get anywhere
- Small population/lack of diversification

#### Workforce Development

- Population has not significantly changed in 100 years
- Educational attainment (high percentage of people without at least a high school diploma or equivalent)
- Local higher education opportunities are limited to on-line classes or long commutes (Northwest Community College in Powell is the closest higher education)
- Housing (age, size, quality, and availability) discourages in-migration

#### Infrastructure Development

- Transportation
  - No Interstate access, no year-round highway access from the East
  - Condition of some roads
  - No mass transit
  - No commercial airport (closest are Cody and Worland)
- Aged downtowns

#### Existing Business Development

- Retail leakage
- Small markets
- Lack of service employees

### Entrepreneur Development

- Small markets
- Limited support mechanisms (finance, mentoring, planning, etc.)

### New Business Recruitment

- Lack of coordinated, targeted efforts
- Small markets
- Distance from larger markets

## **Opportunities**

Economic development opportunities are factors that are outside of Big Horn County (or things that do not exist locally) that could potentially support or generate economic growth. Opportunities include:

### Leadership/Civic/Policy

- Leadership development programs
  - All leaders need to understand value of existing businesses and growth
  - Good communication can engage and motivate citizens
  - Transparency will address concerns about “good ol’ boy” decisions
- Coordinated efforts among municipalities for purchasing and programs
- Joint municipal-county-nonprofit economic development program
  - Grant writing
  - Marketing
  - Business support and recruitment

### Quality of Life

- New facility at county fairgrounds
- Additional community facilities (splash pads, sports complexes, ball fields, etc.)
- Development of recreational opportunities - Big Horn Lake, ATV access
- Floodplain management

### Workforce Development

- Closer connections and promotion of higher education opportunities with Northwest College and University of Wyoming
- Industry-specific training, especially in the industrial trades sector

### Infrastructure Development

- Transportation
  - Enhanced & expanded rail projects & facilities
- New housing development, including temporary housing
- Telecommunications – value to businesses should be promoted and continue to grow

### Existing Business Development

- Agriculture
  - Value-added agriculture products
  - Food Hub efforts
  - Minimize overhead/transportation costs by consuming local foods
  - Organic products
  - Restaurants should be encouraged to use and promote locally produced food
- Retail
  - Specialized stores with local products
  - Coop stores
- Tourism and Travel
  - Enhanced and expanded Tourism options, including "destination development"
  - Lodging and accommodation improvements - particularly in Lovell (limited number of overnight stays may be affected by existing facilities)
  - Expand businesses that support industry (i.e., gas stations, restaurants, lodging, auto parts, liquor sales, attractions, museums, etc.)
- Mining
  - New energy development (e.g., oil & gas)
  - Continuing demand for mining support workers/businesses
- Manufacturing
  - Support programs to improve efficiency and create new products (e.g., Manufacturing-Works)

### Entrepreneur Development

- Existing facilities (such as the 3<sup>rd</sup> Street incubator in Lovell) could use some aggressive marketing and focus, perhaps even a joint venture

### New Business Recruitment

- Growth will allow the Construction and Utility sectors to grow and further specialize

### Threats

Economic development threats are factors outside of Big Horn County or things beyond its control that stand in the way of economic growth. Threats include:

#### Leadership/Civic/Policy

- Agenda 21 fears (i.e., the perception that some organizations and leaders are attempting to usurp private property and individual freedoms in the name of planning for the future)
- Competition for limited money and other resources

- Perception of better opportunities elsewhere for youth and leaders
- Federal regulations
- Lower sales taxes in Montana

#### Quality of Life

- Larger communities have more diversity and more things to do
- Loss of swimming pool in Greybull
- Potential for further consolidation (and closing) of some schools
- North-south geographic distance
- BLM regulation of public lands
- Flood danger to many communities

#### Workforce Development

- Youth are leaving
- Great career opportunities elsewhere encourage workers to move away

#### Infrastructure Development

- Limited funding is available for roads and airports
- Global competition for high tech and telecommunication-based businesses

#### Existing Business Development

- Growing Internet retail market continues to erode local sales everywhere
- Attraction of larger stores in bigger communities (price & selection factors)
- Increasing economic opportunities elsewhere as the nation's economy gets stronger
- Restrictions on federal mining leases
- Sage grouse protection areas and impacts

#### Entrepreneur Development

- Larger communities, even within Wyoming, can attract the brightest innovators away from Big Horn County

#### New Business Recruitment

- Very competitive business recruitment efforts elsewhere

This SWOT analysis provided the basis for the Goals and Objectives of this plan (see section beginning on page 8 above), as well as the specific items identified in the Action Plan (found on pages 22-32 above).

## APPENDIX

CBI uses abbreviations for each major economic sector when detailed data is available by industry. Industry abbreviations and industry descriptions include:

- AGR: Agriculture, Forestry, Fishing and Hunting
- MIN: Mining, Quarrying, and Oil and Gas Extraction
- UTL: Utilities
- CON: Construction
- MFR: Manufacturing
- WHO: Wholesale Trade
- RET: Retail Trade
- TRA: Transportation and Warehousing
- INF: Information
- FIN: Finance and Insurance
- REL: Real Estate and Rental and Leasing
- PRO: Professional, Scientific, and Technical Services
- MGT: Management of Companies and Enterprises
- ADM: Administrative and Support and Waste Management and Remediation Services
- EDU: Educational Services
- HEA: Health Care and Social Assistance
- ART: Arts, Entertainment, and Recreation
- ACC: Accommodation and Food Services
- OTH: Other Services (except Public Administration)
- PUB: Public Administration