

Riggins & Salmon River Canyon

Economic Development Strategy

(FINAL DRAFT)



**Prepared for the
City of Riggins**

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by

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[Inside cover.]

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CHAPTER 1: INTRODUCTION

The area served by this Economic Development Strategy encompasses Riggins and its trade area in the Salmon River Canyon, including the communities of Riggins, Pollock, Lucile, Pinehurst, Warren, Burgdorf, Slate Creek and White Bird. The project area is extremely rural and isolated, with a total population of 1,800 in a geographic area covering approximately 160 square miles. It is characterized by small, close-knit communities, yet it serves more than 550,000 non-resident visitors annually.¹

Planning Process & Project Phases

In 2003, the City of Riggins initiated an economic diversification and small business expansion effort in the Salmon River Canyon area. The intended result is more stable year-round employment and business revenues, creating more living wage jobs and a higher quality of life. A critical secondary benefit is the ability for young families to stay in Riggins, thereby stabilizing school enrollment.

The process contained three phases:

1. A feasibility study to explore the possibility of establishing an outdoor recreational events center in Riggins, utilizing existing school facilities. This concept was the result of inquiries to the community (primarily to Salmon River High School) concerning possible use by outside parties of the existing athletic facilities.
2. A feasibility study to explore the possibility of establishing a community health and wellness center in Riggins, a concept which grew out of the community interview and discovery activities that were part of the Riggins outdoor recreational events center project. While establishing base-line community data related to that separate study, it became apparent that a wellness center concept created significant interest in the community.
3. An economic diversification and small business expansion strategy, including an objective assessment of Riggins' strengths, weaknesses and opportunities for business development; a community vision; goals; implementation actions; timeline; and responsibilities for implementation.

The planning process included numerous meetings with project committees, a community health and wellness issues survey, interviews and surveys of local businesses, a survey of statewide junior/senior high school athletic officials and teams, and more than fifteen public and committee meetings. Meeting announcements and results were published in local and regional media, and on the Riggins-Salmon River Chamber of Commerce web site (www.salmonriverchamber.org). More than 225 citizens and business owners participated in the process.

Successful economic development planning involves knowing clearly the assets that an area has to promote, and what it needs to improve, so that the economy can prosper. The next page is a summary of Riggins history and assets related to economic development and quality of life. Chapter 2 is an overview of key socio-economic trends, and aspects of the community that the consulting team believes to be the major strengths (assets) and weaknesses (liabilities and limitations) of the Riggins area from an economic development perspective.

¹ Source: 1999-2000 Idaho Motor Vehicle Traveler Study

Riggins History and Assets

Riggins is located in a spectacular setting in the Salmon River Canyon, at the confluence of the Main and Little Salmon Rivers, adjacent to the Nez Perce National Forest and Hells Canyon National Recreation Area. It lies in southwestern Idaho County, in north central Idaho. The county is the largest in Idaho, and the fourth largest in the United States, covering 8,503 square miles, 83% of which is public land.

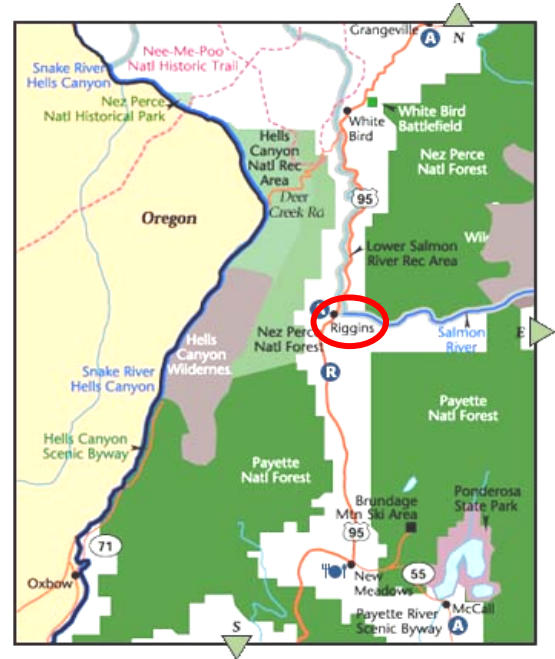
Riggins was geographically isolated until 1937 when a north-south highway (U.S. 95) was completed from Bonners Ferry to Boise. Positioned on Highway 95, Riggins is 41 miles south of Grangeville (Idaho County seat), and 160 miles north of Boise (state capitol).

Riggins is a resort and ranching community with a colorful past. Mining gave the area its economic beginning in the late 1800s, and contributed sporadically to the area's economy throughout its developing years. The early mining towns attracted gold seekers, while the Homestead Act of 1862 influenced families to settle and entrepreneurs to establish businesses. Many who had come to Idaho County to search for gold remained to take up agriculture, finding their gold in the rich soil and favorable climatic conditions. By the late 1800s, agriculture was a primary industry. While local sawmills were producing lumber chiefly for home building, it was the huge demand for timber after World War II that made lumber production a leading industry and an economic asset to the area.

In 1982, the sawmill in Riggins burned to the ground, eliminating the area's largest employer. When it became apparent that the mill would not be rebuilt due to weak lumber markets, community leaders focused on tourism to sustain the economy. Today Riggins is a year-round recreation destination, and a convenient stopping place for north-south travelers in Idaho. The Riggins area increasingly attracts outdoor recreation enthusiasts, former residents for return visits, and pass-through scenic travelers.

According to its residents, Riggins' unique features include the following:

- Personable, small town attitude
- Healthy and clean
- Real/natural/value
- Family-friendly
- Un-crowded, with plenty of solitude
- No lines, waiting or stoplights
- Nostalgia – a step back in time
- Learning, experience, excitement
- Scenic river and mountains
- Freedom
- Relaxing and rejuvenating



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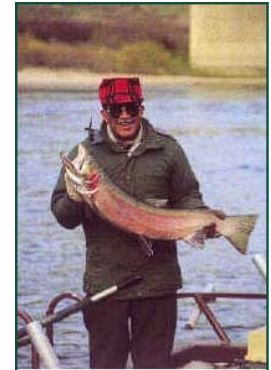
Key attractions in Riggins and the surrounding area include:

- ♦ Outdoor recreation: whitewater rafting, kayaking, and jet boating; fishing for steelhead, salmon, trout and sturgeon on the Salmon River; hunting for elk, deer, black bear, cougar and wild turkey; hiking and horse packing in the Nez Perce National Forest, Frank Church Wilderness and Hells Canyon.
- ♦ Annual events: FEBRUARY: Women With Bait steelhead fishing tournament; APRIL: Salmon River Jet Boat Races; MAY: Salmon River Art Guild Show/Sale, Riggins Rodeo; JUNE: Big Water Blow Out; JULY: 4TH of July Family Picnic & Fireworks, Hot Summer Nights & Vintage Car Show; SEPTEMBER: September Fest; OCTOBER: Salmon River Art Guild Show/Sale; DECEMBER: Christmas Bazaar.



Key community facilities and services include the following:

- ♦ Recreation facilities: Salmon River, City Park and boat launch, nearby beaches and boat ramps, Salmon River High School athletic fields
- ♦ Senior Citizens Center, Headstart and A.S.K. youth programs, 9 churches, 12+ civic clubs
- ♦ Medical facilities: 1 clinic, 2 assisted living/long-term care facilities, volunteer emergency services
- ♦ Learning opportunities: Salmon River Elementary, Middle and High Schools, Salmon River Heritage Center, Rapid River Fish Hatchery, Hells Canyon National Recreation Area Visitor Center
- ♦ Tourist businesses and related services: 9 motels, 2 RV parks, 5 restaurants, 13 retail businesses, 11 outfitting/guiding businesses, 2 service stations, 1 auto repair.



CHAPTER 2: SOCIO-ECONOMIC TRENDS

The first element of the strategic planning process was an analysis of socio-economic trends, which provide an important framework for evaluating the conditions and opportunities affecting business and economic development in Riggins.

Since the early 1980s, the Riggins community and surrounding area of Idaho County have experienced severe economic challenges. In 1982, the major employer in the Riggins area, the Brown's Industries sawmill, burned to the ground and was never rebuilt. Since that time, Riggins has developed a growing tourism industry, which has helped the community survive, but has provided a very seasonal and unstable employment and revenue base. High turnover of business ownership and a transient workforce create significant business challenges and social instability.

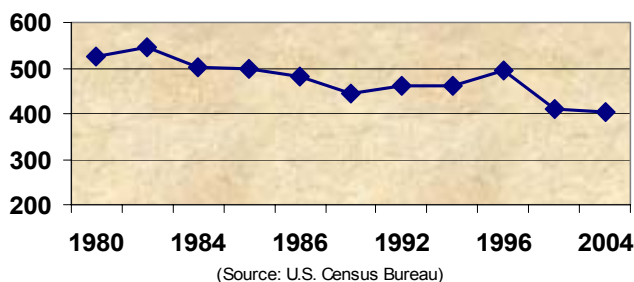
The economic decline was tied primarily to the move away from a timber-based economy, coupled with declines in ranching, agriculture and federal government employment. The emerging tourism sector of the economy has grown without the advent of any singular large-scale development effort.

However, recent resort development in Valley County south of Riggins has ignited real estate development and therefore interest throughout the region. Employment opportunities related to construction have increased significantly, bringing new sources of income to citizens of Riggins.

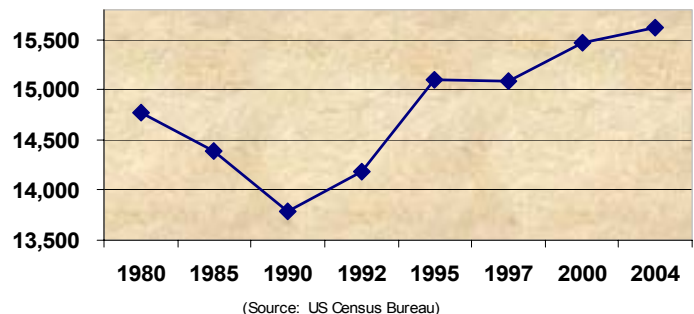
Population Trends

The 2002 population of the Riggins trade area (from Whitebird to Pollack/Pinehurst) was 1,757. The population within the City of Riggins itself was 402 in 2004, which is a 24% decline since 1980, when the population was 527. Meanwhile, the population of Idaho County increased by 6% from 1980 to 2004 (see charts). [More recent population data is not available for the Riggins trade area.]

Riggins Population Trends, 1980-2004:
↓ 24% (527 to 402)



Idaho County Population Trends, 1980-2004:
↑ 6% (14,759 to 15,616)



Real Estate Sales

Growth is occurring in the area surrounding Riggins: according to the Idaho County Assessor's Office, since 1990, 16 subdivisions (416 parcels) have been platted within 20 miles of Riggins (70 parcels added since 2000, see table below). Within those, 6,270 acres of land have been sold since early 1994. The average price per parcel increased 179% from 1995 (\$43,604) to 2003 (\$77,863); while the average price per acre increased 259% from \$1,536 to \$4,050 (see charts below).

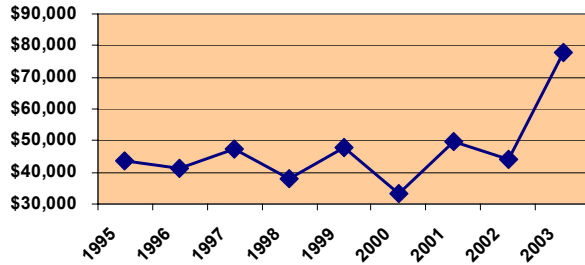
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Development of Tamarack Resort south of McCall is driving real estate sales throughout central Idaho, increasing values and prices.

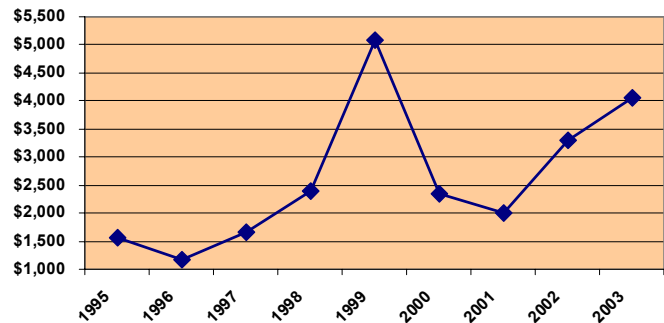
Real Estate Development in Salmon River Canyon, 1904-2004

White Bird to Pinehurst	1904-1979	1980-1989	1990-1999	2000-July 2004
# of Parcels	249	36	346	70
# of Platted Subdivisions	4	4	10	6

SR Subdivision Parcel Avg. Sale Price
Source: Idaho County Assessor's Office



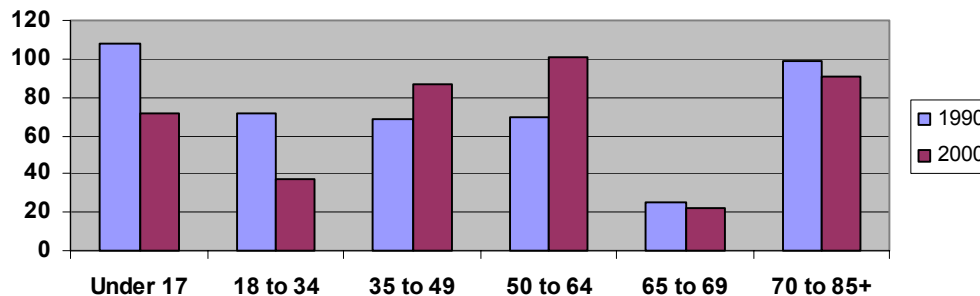
SR Subdivision Parcel Avg. Price Per Acre
Source: Idaho County Assessor's Office



Age Composition

Riggins had fewer families with children in 2002 than in 1980, as indicated by declines in its population of youth (under 18) and young adults (18-34). The number of senior matures (65+) also declined, while the number of Baby Boomers (35-49) and young matures (50-64) grew (see chart below). These trends have resulted in lower school enrollment (and consequently, lower funding for schools), as well as higher demand for services needed by citizens ages 35-64.

Riggins Population by Age Group 1990 vs 2000



Education & Enrollment

Educational attainment, and the quality and availability of education, is a key component of business and economic development. A well-educated workforce attracts higher-paying jobs to a community. Educational attainment of Riggins residents is generally lower than county or state averages. Nearly one in five residents age 25 or older did not complete high school, and only 12% have a four-year college degree. Continuing education opportunities in the Riggins area may increase economic opportunities.

Educational Attainment (% of Population)

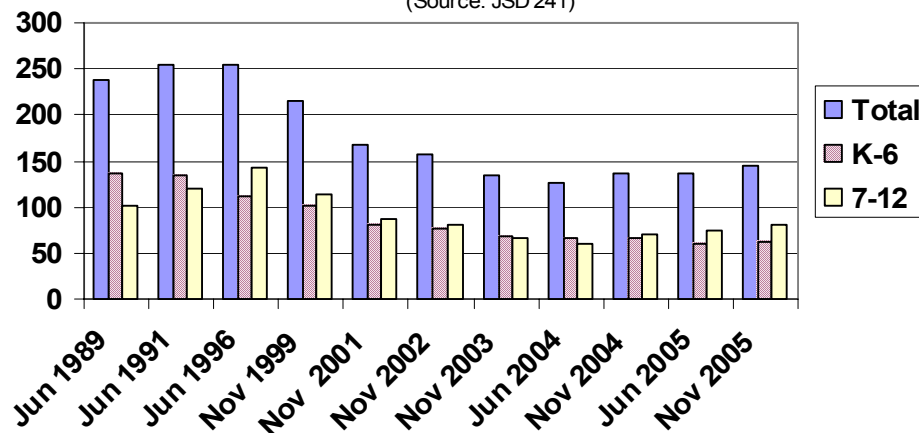
Source: 2000 Census

<u>Residents Age 25 & Older</u>	<u>Riggins</u>	<u>Idaho County</u>	<u>Idaho</u>
Less than 9th grade education	7	6.3	5.2
9th to 12th grade, no diploma	12.4	10.8	10.1
High school graduate (includes GED)	37.9	38.3	28.5
Some college, no degree	30.3	24.8	27.3
Associate degree	0	5.4	7.2
Bachelor's degree	9.1	10.7	14.8
Graduate or professional degree	3.3	3.8	6.8
Percent high school graduate or higher	80.6	82.9	84.7
Percent bachelor's degree or higher	12.4	14.4	21.7

Riggins public school enrollment decreased 39% from 1989 to 2005 (237 to 144, see chart below). There was a slight increase from 1989 to 1996 (237 to 254), but enrollment in K-12 has been declining since 1996 (254 to 144). Some of the decline can be attributed to the opening of at least one private school in the area during this time, and to increased numbers of home school families. A key goal of the community is to increase the number of family wage jobs in the area in order to stabilize and support the schools. Moreover, stable school enrollment helps sustain staff positions within the schools. Total enrollment is indicating possible stabilization since 2003, and even a slight increase (135 to 144). Technology facilities, such as broadband access and a video conferencing facility, would enhanced distance education opportunities available to students. After school programs are provided by A.S.K. and other local groups.

Riggins School Enrollment 1989-2005

(Source: JSD 241)



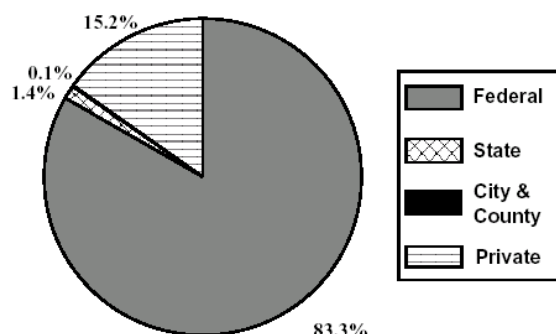
Industry Trends

Almost 85% of land in Idaho County is publicly owned; much of which is forested. In recent years, timber harvest in national forests was greatly reduced, negatively impacting local economies. The 2003 Healthy Forest Restoration Act was designed to allow forest management opportunities that will lead to increased employment in the timber industry.

Due to raw materials supply, international markets, technological advances, and other factors, natural resource industries have declined or experienced

Percent of Idaho County Land Ownership

(Source: Idaho Commerce & Labor)



cyclical ups and downs (wood products, ranching, agriculture); while tourism has increased overall, especially fishing. In 2005, total business sales reported to the State Tax Commission from the Riggins zip code area exceeded \$12.12 million, with 77 businesses reporting. That figure was an increase from the 2004 total sales of \$11.97 million with 76 businesses reporting.

Rural communities in north central Idaho have experienced an economic benefit in recent years from the reintroduction and extension of salmon and steelhead fishing seasons. Situated at the confluence of the Main Salmon and Little Salmon Rivers, Riggins capitalizes from anglers fishing for steelhead and salmon. A 2001 survey of salmon season anglers reported that more than \$10 million was spent in Riggins, contributing nearly one-quarter (23%) of the city's annual economy. According to the Idaho Department of Fish and Game, fishermen spent \$438 million statewide while on fishing trips in 2003. Anglers made 470,000 fishing trips to the Clearwater region, and spent \$87 million on tackle, food, lodging, transportation, guides and camping equipment.

Employment, Wages & Income

Reductions in resource based industries have led to fewer family wage job opportunities. Although tourism industry jobs have increased, most are in lower wage service positions. This trend has resulted in lower per capita income (PCI), and more income stress indicators:

- ♦ Per capita income (PCI) in 2000 was \$17,330 for Riggins, and \$18,473 for Idaho County. Riggins is 41% of U.S. PCI (\$29,469), and 27% of State of Idaho PCI (\$23,727).
- ♦ Nineteen percent of Riggins families earned incomes below the federal poverty threshold in 1999.
- ♦ Seventy-six percent of children in Riggins schools qualified for free or reduced lunch in November, 2002, compared to 52% of School District 241 total enrollment.
- ♦ Most of the 2002 income (72%) was from labor earnings (wages and self-employed income), while about one-quarter (26%) was from retirement, social security, or investments (common for older segments of the population).
- ♦ In 2003, the largest employers in Idaho County were the Nez Perce National Forest and Joint School District 241 (see table below). [Note: 2003 is the most recent disclosed data from IDCL.]

Largest Employers in Idaho County & Riggins, 2003

(Source: Idaho Commerce & Labor)

Employer	# of Employees
Nez Perce National Forest (county-wide)	100
Grangeville Joint District #241 (Riggins)	27
Best Western Salmon Rapids Lodge (Riggins)	19
Cloninger's Food City (Riggins)	14

- ♦ Unemployment rates in the City of Riggins often do not represent actual unemployment conditions. The published unemployment rate is lower than the actual rate because workers employed even as little as one hour per month are included in the employed figures. The City of Riggins has a large number of seasonal and part time workers, so the figures imply that employment conditions are better than they really are (see table below).

Annual Average Unemployment Rate

(Source: Idaho Commerce & Labor)

	1990	1995	2000	2001	2002	2003	2004
Idaho County	11.7%	11.6%	10.2%	9.5%	9.5%	8.7%	7.5%
City of Riggins	6.8%	6.2%	5.3%	5.8%	5.6%	5.3%	5.9%

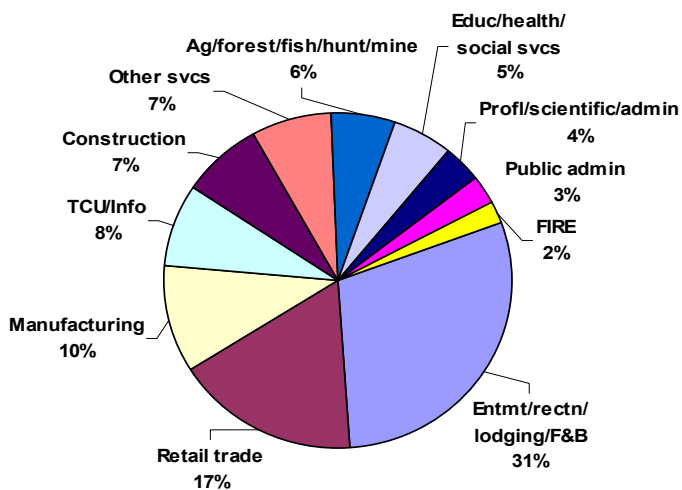
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- ◆ Nearly half of all jobs in Riggins (48%) are in recreation, lodging, food and beverage, and retail. These sectors pay the lowest wages (see tables and chart below).

Idaho County Employment by Industry (Source: Bureau of Economic Analysis)				
	2001	2002	2003	% Chg 01-03
Admin & Waste Svcs	121	130	134	9.7%
Other Services	466	485	507	8.1%
Real estate/rental/leasing	217	(D)	231	6.1%
Finance/Insurance	221	(D)	234	5.6%
Professional/Technical Svcs	223	229	236	5.5%
Manufacturing	586	614	611	4.1%
Wholesale Trade	173	168	179	3.4%
Retail Trade	817	831	840	2.7%
Transportation/Warehousing	319	324	327	2.4%
Forestry/Fishing/Related Activities	314	325	320	1.9%
Arts/Entertainment/Recreation	131	131	132	0.8%
Accommodation/Food Svc	452	454	454	0.4%
Construction	564	559	566	0.4%
Local government	757	764	751	-0.8%
State and local	908	914	897	-1.2%
Mining	98	91	95	-3.2%
State Government	151	150	146	-3.4%
Federal Government	1,870	1,870	1,797	-4.1%
Information	67	59	57	-17.5%
Utilities	38	38	29	-31.0%
(D) Not shown to avoid disclosure of confidential information				

Riggins Employment by Industry – 2000

Source: U.S. Census Bureau



Average Annual Wage in Idaho County, 2004

Industry	Amount
Manufacturing	\$36,161
Agriculture	\$34,032
Mining	\$31,765
Government	\$30,226
Professional and Business Services	\$26,170
Financial Activities	\$25,859
Educational and Health Services	\$24,220
Construction	\$22,685
Trade, Utilities, & Transportation	\$22,254
Information	\$22,148
Other Services	\$14,452
Leisure and Hospitality	\$ 9,631

Business Inventory

Riggins has a surprising number of businesses for its population base. This is due to the influx of tourist dollars, and in part to the number of vacation homeowners. The table below summarizes existing businesses in Riggins by business category. The sectors with the largest number of businesses are specialty retail, tourism-related (guided recreation, lodging, food & beverage,) and construction-related. Most of the retail establishments offer specialized/niche products and/or services targeting tourists (sporting goods, antiques, gifts, taxidermy, rock art, electronics, etc.).

Riggins Business Inventory 2004

Business Category and Number (65 Total)	% of Total
Specialty Retail (13)	20.0%
Amusement & Recreation Services (11)	16.9%
Lodging Accommodations (11)	16.9%
Hotel/Motel/B&B (9)	
RV Parks (2)	
Equipment & Building Supply (8)	12.3%
Building Materials (1)	
Construction & Heavy Equip (7)	
Eating & Drinking Establishments (5)	7.7%
Real Estate (4)	6.2%
Personal Services (4)	6.2%
Medical & Other Health Services (3)	4.6%
Gas Stations & Convenience Stores (2)	3.1%
Leasing & Rental (2)	3.1%
Auto Repair & Maintenance (1)	1.5%
Banking (1)	1.5%
Grocery Stores (1)	1.5%

Retail Trends

As the Riggins business inventory indicated, there are a variety of retail businesses in Riggins. Many are specialty retailers catering primarily to tourists, such as recreation outfitters, art galleries, specialty apparel and gift shops; while a few are general retailers targeting primarily local residents (hardware, groceries). The specialty retailers tend to target a higher-priced market, but the general retailers are competitive with similar businesses in Grangeville and McCall. These locally-owned businesses support the community through their taxes, employment, and donations to local organizations and projects.

Many area residents shop in McCall (46 miles), Lewiston (112 miles) or Boise (153 miles), resulting in lost sales for local businesses that cannot match the prices of major chain retailers and big box stores. Fluctuations in sales are difficult for business stability in every sense: cash flow, profitability, workforce availability, employee training costs, and relationships with suppliers. Some local retailers have developed branded products that are exported from the community to regional and national markets. Examples are value-added wood products (handmade baskets, lodge pole furniture); custom fishing accessories; locally grown fresh and processed fruit and vegetables, etc.

While the specialty goods and services available in Riggins are an attraction for visitors, many of the businesses struggle with profitability due to the small population base in their trade area and the short length of the peak tourist season. The table on the next page shows the average trade area population typically required for different types of retail businesses. These figures are national averages, and vary depending on location, accessibility and other economic factors. Therefore, the numbers are not intended as a definitive measure of trade area requirements. However, the table

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does highlight how difficult it is for certain types of businesses to survive in areas with a small population base or seasonal tourism.

The population of Riggins and its surrounding trade area are in a period of transition, with an aging population and increasing number of vacation homeowners. The City of Riggins itself has experienced a 32% decline in population since 1980, with even higher rates of decline for children and young adults. This condition provides a mixed picture of demand for products and services. The small population and seasonal tourism has led to a high business turnover rate in Riggins.

However, there is a noticeable increase in adult populations (ages 35-64). In addition, there is a significant amount of real estate development activity in the area. As these properties are developed, local demand for products and services will increase.

Average Trade Area Population Required to Support Retail Stores

<u>Retail Category</u>	<u>Pop'n Required</u>		
Food		Automotive	
Bakery products stores	10,126	Aircraft, boat, motorcycle dealers	30,497
Candy, nut, confectionery stores	12,594	Household trailer dealers	46,456
Dairy products stores	29,728	Passenger car dealers	5,657
Fish markets	51,971	Tire, battery, accessory dealers	7,284
Fruit stores, vegetable markets	21,259	Lumber, Hardware, Bldg Mat'ls, Farm Equip't	
Grocery stores/delicatessens	770	Farm equipment	11,530
Meat markets	11,463	Hardware stores	6,374
Eating and Drinking		Heating, plumbing equip. dealers	40,859
Drinking places (bars)	1,705	Lumber, building materials	6,510
Eating places (restaurants)	842	Paint, glass, wallpaper stores	16,239
General Merchandise		Miscellaneous Retail	
Department stores	44,379	Antique/second-hand stores	7,313
Dry goods stores	34,152	Bicycle shops	100,083
General merchandise stores	6,899	Book stores	59,815
Variety stores	8,430	Camera, photographic supply stores	57,030
Apparel and Accessories		Cigar, tobacco stands	38,509
Children's/infant's apparel	33,057	Farm and garden supply stores	16,774
Men's and boys' apparel	8,403	Florists	9,527
Shoe stores	7,679	Fuel, ice dealers	7,559
Women's apparel	4,247	Gift, novelty, souvenir stores	14,965
Furniture, Furnishings, Appliances		Hobby and toy stores	44,099
Furniture, home furnishings stores	3,437	Jewelry stores	9,011
Household appliances, radio, TV	6,148	Luggage, leather goods stores	140,684
Music stores, records, instruments	23,363	Newsstands	29,533
Drug Stores	3,749	Optical stores	14,792
		Pet shops	82,455
		Sporting goods stores	17,270
		Stationary stores	33,290

Source: Bureau of the Census, U.S. Dept .of Commerce

Tourist Markets and Trends

Residents, business owners, community leaders, and volunteer groups in Riggins consistently agree that annual events and outdoor recreation activities have a significant positive impact on the local economy. A review of pertinent data generally supports this position, but also indicates some areas of transition.

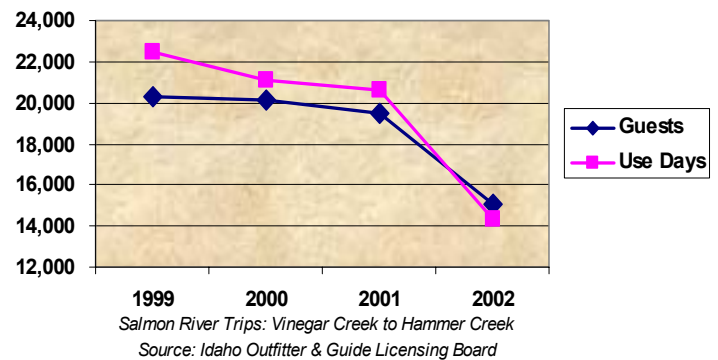
In order to evaluate tourist markets and trends, the consulting team reviewed data related to visitor origin, seasonal travel, activity preference, traveler type/party size, and length of stay of both destination and pass-through visitors. Findings were based on the following sources of information:

- Review of motel/RV park sales trends, based on Idaho Travel & Convention Tax data
- Analysis of outfitter guest and use days from Idaho Outfitters & Guides Licensing Board & USDA Forest Service
- Review of Snake River/Hells Canyon visitor use data contained in USDA Forest Service and University of Idaho reports
- Review of North Central Idaho and statewide results contained in the 1999-2000 Idaho Motor Vehicle Traveler Study (University of Idaho/Idaho Travel Council) AND 2005 North Central Idaho Visitor Survey
- Highway traffic counts and trends from the Idaho Transportation Department
- Evaluation of Riggins event attendance and participation trends
- Comparison to national travel trends
- Interviews with Riggins residents, business owners, and local outfitters

Outfitter Use Trends

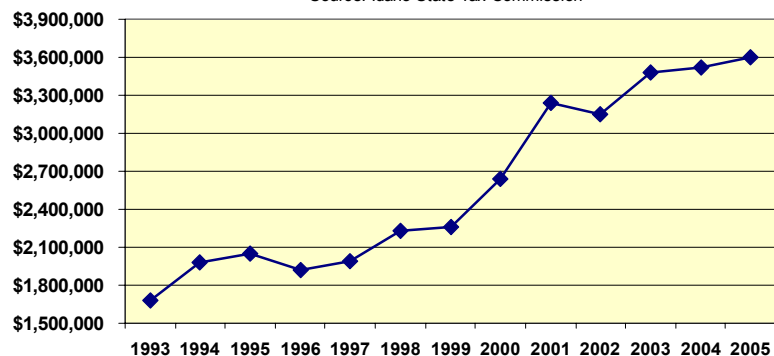
Outfitter guests and use days on the Salmon River (a mainstay of area tourism) experienced a noticeable decline from 1999 to 2002 [NOTE: MORE RECENT DATA HAS BEEN REQUESTED FROM LICENSING BOARD]. Figures were not available for the years prior to 1999. The declines were the result of forest fires, the 9/11 terrorist attack, a national economic recession, and variations in local fishing runs and wildlife populations. Data collected by the Idaho Outfitters & Guides Licensing Board (IOGLB) show declines in the number of guided river use days (-36%) and guided river guests (-26%) on segments of the Salmon River near Riggins (see chart). The greater decline in use days (versus number of guests) indicates that guided river guests are taking shorter trips (this is consistent with national trends). Successful salmon and steelhead fishing seasons have helped to increase overall numbers of outfitted guests.

Local Outfitter Booking Trends 1999-2002



Idaho County Lodging Sales, 1993 - 2005

(Year 2005 reflects Jan-Nov as Dec sales not available yet)
Source: Idaho State Tax Commission



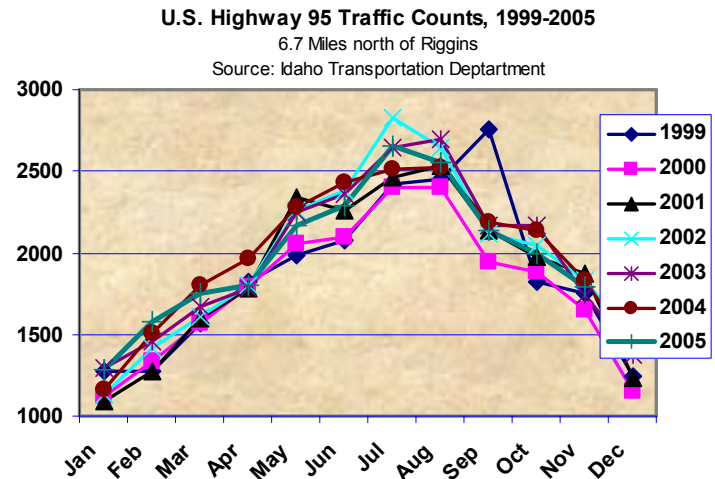
Lodging Trends

Lodging revenues in Riggins have increased over the past decade, due to the addition of new

facilities, along with higher average room rates, and increases in sportsmen and family visitation to the area. This activity is connected to fishing, repeat visitors for events, and to new visitors from areas within a day's drive from Riggins. As shown in the chart at the right, overall motel/RV park lodging sales in Idaho County grew by 48% from 1993 to 2004 (exact lodging sales figures for the City of Riggins only are not available). Inflation-adjusted growth in Idaho County was 20%, meaning that more than half of the growth in revenue was due to overall increases in average room rates (based on CPI). Through November 2005, Idaho County lodging sales were up 6.6% over 2004.

Traffic Trends

Figures from the Idaho Transportation Department indicate little growth in the number of vehicles traveling on Highway 95 north of Riggins from 1997 to 2005 (see chart at right), except in the months of May, June, and September. Note that the traffic counters do not register motorcycles due to the length and weight of the vehicle. The May and June increases were likely due to salmon fishing. Not surprisingly, the traffic counts peak in May through September, and drop dramatically in December through February, because of the lack of outdoor recreation opportunities. The graph below reflects the percent of increase by month, 1990- 2005, in traffic counter volume on Highway 95, 6.7 miles north of Riggins.



Change in Traffic Counts by Month, 1990 to 2005, 6.7 miles North of Riggins

Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1990-2005	24%	37%	21%	7%	12%	11%	16%	12%	16%	20%	21%	26%

Characteristics of Tourists in Riggins

A traveler survey conducted in north central Idaho from early June through mid-October 2005, collected a significant amount of information about travelers to the region. The survey was conducted by James Lillstrom & Associates of Boulder, Colorado, for the North Central Idaho Travel Association and the Idaho State Tourism Office. Twenty-five electronic survey units were placed throughout the region from early June through mid-October, netting 6,835 completed surveys. Key survey findings about visitors to Riggins compared with all visitors to the 5-county region are as follows:

Visitors to Riggins are younger, more affluent, and more likely to be families or singles than travelers in the rest of north central Idaho.

- The average age of Riggins visitors is 36.6, compared to 47.3 region-wide.
- 16% of Riggins visitors are age 55+, versus 47% of all regional visitors.
- One-third (32%) of Riggins visitors are traveling with children, compared to 25% overall
- Nearly half (46%) of Riggins visitors had five or more people in their travel party, versus 19% overall.

- Outdoor recreation was the primary trip purpose for 42% of Riggins visitors, compared to 18% of visitors to the entire region. Nearly one fourth (24%) of Riggins visitors were traveling to visit friends/family (23% region-wide), 9% were taking a sightseeing/driving tour (19% overall), 7% were visiting historic/cultural attractions (17% region-wide), and 3% were traveling primarily for business reasons (4% overall).
- The top activities enjoyed during the trip of Riggins visitors were the following: rafting/ kayaking (61%), boating/water sports (46%), sightseeing/driving tour (34%), wildlife viewing (32%), visiting historic sites (22%), family events (22%), fishing (22%), hiking (20%), camping (18%), shopping (13%), visiting a museum (12%), bird watching (11%) and biking (10%).
- 30% of Riggins visitors have a household income of \$100,000+, compared to 25% of all visitors to the region. Overall survey results revealed that visitors' household incomes varied significantly depending on the type of traveler (based on *primary* trip purpose): Follow Lewis & Clark Trail (\$84,000), Look at Real Estate (\$82,000), Sightseeing/driving Tour (\$78,000), Visit Historic/Cultural Attraction (\$76,000), Business (\$76,000), Outdoor Recreation (\$75,000), Festival/event (\$73,000) and Visit Friends/family (\$72,000).
- When visitors' household incomes are analyzed by all activities that visitors participated in, selected findings are the following: Look at Real Estate (\$86,000), Boating/watersports (\$81,000), Visit Historic Site (\$79,000), Rafting/kayaking (\$78,000), Hiking (\$78,000), Visit Museum (\$78,000), Sightsee/driving Tour (\$77,000), Wildlife Viewing (\$77,000), Biking (\$76,000), Festival/event (\$76,000), Casino (\$74,000) and Camping (\$72,000).
- About one-in-five visitors to Riggins (21%) visited a Lewis & Clark site or event during their trip (versus 54% overall).
- More of Riggins visitors (69%) were staying overnight in the region than the overall average (49%).
- Nearly two-thirds (62%) of Riggins visitors spent only one or two nights in the region (versus 48% of all regional visitors). Only 24% of Riggins visitors spent 4 or more nights (versus 33% region-wide).
- More Riggins visitors stayed in commercial lodging facilities than the overall average, and more of them were traveling in rental vehicles.
- Nearly half (47%) of Riggins visitors were headed south after leaving the region, compared to one-third who were headed north. More than one-quarter (26%) of Riggins visitors were from the Boise area, and 22% were from the Spokane area. Those results indicate that Riggins is the main destination for many Boise visitors. Other key cities of origin of Riggins visitors are Seattle-Tacoma, Los Angeles, Twin Falls, Portland, San Francisco, Salt Lake City, Tri-Cities, Denver, Reno and Minneapolis-St. Paul.
- More than one-third (36%) of Riggins visitors planned their trip less than a month in advance, and another 24% planned their trip 1-2 months in advance. Only 21% planned their trip more than 6 months in advance.
- The most important sources of information for trip planning were friends/family (61%), the Internet (51%), previous experience (43%), chamber/tourism brochures (16%) and magazine articles (12%). The best sources of information once on the road were friends/family (54%), previous experience (46%), brochures (32%), road signs (25%), chamber/visitor centers (17%) and other local referrals (17%).
- More than half (57%) of Riggins visitors were "very satisfied" with their travel experience in the region. Another 29% were "satisfied," and 6% were dissatisfied. A key area of dissatisfaction in Riggins was a lack of high-quality dining experiences. Overall, outdoor recreationists and sightseers had the highest satisfaction levels (88%) of all traveler types.
- About one-third of Riggins visitors (35%) were on their first trip to the region (compared with 39% overall). 22% of Riggins visitors had been to the region more than 10 times in the past two years, and another 17% had been here 5-10 times. More than half of visitors said that they "definitely" would return in the next two years, and another 24% "probably" will return.

- Based on the dates of the survey responses, the peak visitation in Riggins occurred on the weekends of July 9-10, July 22-24, the week of July 29 through August 9, and the weekend of August 13-14. Peak survey response dates were July 9, 23 and 31, and August 2, 6 and 8. The survey ran from June 7 to October 16.

Implications of the preliminary survey findings are the following:

- Opportunities may exist to extend the stays of Riggins visitors through suggested itineraries that include area driving tours, historic sites, wildlife/bird viewing points, hiking trails, etc.
- Kids activities are a way to draw and retain more family-oriented visitors (beaches, water sports, hiking, horseback riding, mini-golf, etc.).
- It is critical to provide easily accessible visitor information through brochure racks at local businesses and staffed visitor information sites (restaurants, gas stations, hotel front desks, NRA office, outfitter offices, real estate offices, retail shops, City Hall, etc.).
- Riggins visitors have money to spend, and are interested in local products and services. Opportunities to buy quality supplies, gifts and souvenirs, as well as quality, smoke-free dining and socializing experiences, are important to attract and retain visitors in Riggins.

Additional information about visitors to Riggins was obtained from direct interviews with tourism-related businesses in Riggins. Insights provided by those businesses about year-round travelers were consistent with the survey findings, and included the following:

Visitor Origin. Riggins is conveniently located within a day's drive of major population centers, i.e., Boise valley, Spokane/Coeur d'Alene and the Tri-Cities. Fifty to eighty percent of overnight travelers to Riggins are from the Boise valley area, depending on the season. Riggins is a convenient north-south midway stop for business travelers. Additionally, visitors from other western states and Europe access Riggins by flying to Boise and renting transportation.

Visitor Type. The majority of overnight visitors are leisure travelers, and party size/type varies slightly according to season. The balance of visitors are business travelers (corporate, government, construction/repair, logging, etc.).

Visitor Type/Party Size by Season. Groups of friends, and families with children, are most prevalent during summer (whitewater trips). Retirees/empty nesters visit Riggins more in spring (visiting family, investigating relocation opportunities) and fall (sightseeing and pass-through). Couples and singles predominate in spring, fall, and winter (fishing, visiting family, pass-through). Government and construction/repair crews increase significantly in spring, while business travelers are year-round visitors to Riggins.

Visitor Stays. Summer water-based recreationists generally stay overnight in Riggins (75%+). In spring and fall, sportsmen are likely to stay one or more nights. Event participants generally also stay 1-2 nights. Many business travelers are repeat guests.

Activity Preference. Outdoor recreation and events are the main reasons for destination travel to Riggins. Land based recreation activities (hunting, hiking, picnicking, photography) and water based recreation activities (fishing, boating, whitewater) are available year round due to the mild climate and proximity of the Salmon River, national forests and wildlife. Many community events are linked to outdoor recreation (fishing tournament, rodeo, jet/sprint boat races, Big Water Blowout), while others are special interest and family/group oriented (car and art shows, 4th of July picnic, Hot Summer Nights, September Fest, Christmas Bazaar).

Summary

The previous socio-economic trend data indicate that Riggins is positioned to enhance its economy, education system and community services by building on its existing assets, and addressing the needs of businesses and its changing population. Key trends that provide clues to strategic action are the following:

- Riggins and the Salmon River Canyon possess tremendous natural and recreational assets which appear to be attracting more interest from real estate developers.
- The population is declining, particularly youth and young families. However, there is a growing interest in residential development targeted toward second-home owners and young retirees.
- Most jobs in Riggins are tied to seasonal tourism, and are low paying jobs with few benefits.
- There is a need for year-round stability in business revenues, through value-added tourism and additional specialty businesses.
- Additional services will be needed to serve the growing number of retiring Baby Boomers and vacation homeowners.
- The Riggins area needs to plan for growth and its associated impacts, in order to provide adequate infrastructure and services, and to protect sensitive resources.
- There is a need for more stability in the public school system in Riggins in terms of attracting business investment and encouraging a healthy community.

CHAPTER 3: RIGGINS STRENGTHS AND WEAKNESSES

The Riggins area economic development strategic planning process included an assessment of the community's strengths, weaknesses, and opportunities related to economic development, based on the findings of the consulting team. The objectives of this assessment were to:

- ♦ Identify key strengths to emphasize in economic development efforts;
- ♦ Identify key weaknesses that may limit business investment in the Riggins area so that remediation of local challenges can occur; and,
- ♦ Build the foundation for the identification of appropriate strategies for the focus of economic development activity by the City.

The previous section (Socio-Economic Trends) focused on “the facts” about Riggins, its people, economy and business trends. This section is an assessment of the area's strengths and weaknesses from the perspective of citizens and business investors, whether the investor is an existing business owner seeking to expand, a start-up entrepreneur, or a business considering relocation to Riggins.

The sources of information for this assessment were varied. They included surveys/interviews with community and business leaders, government officials, utility representatives, property owners, real estate professionals, educators, athletic directors, citizens, volunteers, etc. The consulting team also gathered statistical information, and reviewed previous studies and available local data. The results of this process then were combined with the team's economic, business, marketing, and community development experience. The information and knowledge gained from these sources was incorporated into the strategic planning process to further the economic development effort locally.

The assessment involved key issues that residents, businesses, and local government typically consider when seeking to adjust, enhance and stabilize the area economy, and to provide the necessary foundation for establishing effective public-private partnerships and long-term business development.

- | | | |
|---------------------------------|---------------------------|---------------|
| ♦ Market access and positioning | ♦ Quality of Life | ♦ Utilities |
| ♦ Business climate | ♦ Workforce and education | ♦ Real Estate |
| | ♦ Transportation | |

Citizen Opinions about Strengths, Challenges and Vision

Early in the planning process, the consulting team spent three days in Riggins interviewing more than 60 citizens of the area. On the third evening, they hosted a public forum to summarize the most common themes from the interviews, to obtain additional citizen input, and to ask participants to help identify the top priority ideas. The results are summarized below, and provide insight concerning community views of assets, challenges, and validity of tourism and economic initiatives.

Strengths/Assets (*What do you like about the community of Riggins and Salmon River Canyon as it is now?*)

- | | |
|---|----------------------------------|
| ♦ The people | ♦ River |
| ♦ A.S.K. & Head Start (youth programs) | ♦ Safe/low crime |
| ♦ Access to outdoor recreation | ♦ Scenery |
| ♦ Clean air | ♦ Senior citizen activities |
| ♦ Close-knit community (know everyone) | ♦ Small population |
| ♦ Great place to raise kids | ♦ Small town/slower paced living |
| ♦ Location | ♦ Solitude/remoteness |
| ♦ Low cost labor | ♦ Weather/growing season |
| ♦ Number of churches with children's activities | |

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Challenges (*What do you see as the greatest challenges for the community and area? Why?*)

- ♦ Access to capital (for business development)
- ♦ Affordable housing and daycare
- ♦ Available/qualified/willing workforce
- ♦ Business recruitment
- ♦ Distance to hospitals
- ♦ Drugs/substance abuse
- ♦ Family-wage jobs (young families leaving)
- ♦ Isolation/access
- ♦ Lack of activities for kids/teens
- ♦ Lack of airport
- ♦ Lack of flat ground (for development)
- ♦ Local control (i.e., school)
- ♦ Public lands being closed to public
- ♦ Reputation/Image
- ♦ Seasonality
- ♦ Stable/quality schools
- ♦ Traffic/parking
- ♦ Utilities: power, cell phone access

Vision (*Describe how an ideal Riggins/Salmon River Canyon would be 5-10 years from now.*)

- ♦ More families with kids
- ♦ Need positive town image/theme
- ♦ Not much change (keep small town feel)
- ♦ Stable job base
- ♦ Strong school
- ♦ Sustainable natural resources (don't ruin it)
- ♦ Teen/youth center
- ♦ Air strip
- ♦ Diversity of businesses
- ♦ Emergency medical services
- ♦ Events Center
- ♦ Fitness facility
- ♦ Golf course
- ♦ Make everyone part of community

This citizen input provided a sound foundation for the consulting team to conduct further research to identify and summarize key community strengths and weaknesses. In some cases, this work involved direct conversations with key individuals in order to confirm or dispel assumptions. In addition, appropriate existing data directly related to the publicly provided ideas was researched. The end result of this stage of the strategy is the compilation of the following seven aspects of Community Strengths and Challenges:

- ♦ Market access and positioning
- ♦ Business climate
- ♦ Quality of life
- ♦ Workforce and education
- ♦ Transportation
- ♦ Utilities
- ♦ Real Estate

OVERALL QUALITY OF LIFE

SIGNIFICANCE

Quality of life means different things to different people, but certain factors are widely valued, including a reasonable cost of living, low crime rate, cultural/recreational activities, and overall community ambiance. Entrepreneurs and business owners seeking to expand or relocate a business consider community attributes like housing availability, community attractiveness, cultural-recreational assets and the general cost of living. While cost is a major factor in location decisions of companies, quality of life plays an increasingly important role. Business owners and lone eagles want to live in pleasant communities, and a high quality of life makes it easier to attract and retain the best employees. The quality of life, medical care, crime rate, moderate living costs, and attractive environment must be factored when companies consider new projects and development. The quality and availability of health care also is an increasingly important quality of life factor for potential residents and retirees.

Attractive development and redevelopment is a critical factor in the community's sense of place. The success of commercial retail areas is enhanced by pedestrian-friendly customer comforts such as public gathering and green space, shade, benches, bicycle racks, children's play areas and public/interactive art. Unique businesses in commercial areas add to the community's character and sense of place, while sprawl detracts from the community's appeal.

STRENGTHS

Sense of Place

- Riggins is located in a spectacular setting – often described as “cathedral-like”. The river and surrounding canyon walls create an extraordinary sense of place. Business owners, residents and visitors in the Riggins community cited extraordinary scenic beauty, nearby attractions and abundant outdoor recreation as key strengths in the Riggins area. Not only do they contribute to quality of life for residents, but are an attraction to visitors.
- Riggins has considerable “curb appeal” – most of the homes and businesses are well kept, with attractive landscaping and signs. The sidewalks and lighting provide pedestrian amenities, and the compact nature of the business district makes the downtown very “walkable.”
- Riggins’ geographic isolation – its rural-ness – was described as both a strength, and a weakness by citizens. The isolation provides community closeness, but presents challenges to business stability.
- Several citizens and leaders stated that the entrances to the community should be made more attractive, and that more attention should be paid to its overall appearance.

Natural Resources, Climate and Air Quality

- Abundant public land, open space, fish, wildlife and outdoor recreation make Riggins extremely attractive to outdoor enthusiasts. The climate is mild due to the elevation and location in the canyon. Air and water quality are outstanding.

Outdoor Recreation & Cultural Opportunities

- The Riggins area offers a wide variety of four-season recreation: fishing, boating, hiking, hunting, kayaking, swimming, rodeo, outdoor concerts and performances, tournaments, etc.

- Local artisans and craftsmen host several shows annually, and musicians provide entertainment during community events.

Volunteerism

- Riggins is an active community, with many dedicated volunteers in a variety of community service organizations and youth programs. Retirees are a tremendous volunteer resource in the community.

WEAKNESSES

Shrinking School Enrollment

- The Riggins schools (elementary, middle, high school) are part of Joint School District 241, based in Grangeville. As described in the previous chapter, local enrollment has declined, causing decreases in funding and offerings of elective courses and extracurricular activities. The schools continue to seek opportunities for course offerings via Internet and video conferencing. Test scores have improved in the past few years following implementation of higher performance standards and disciplinary policies.

Limited Housing (& Housing Sites)

- The topography of the river canyon restricts the physical growth of the community within the City limits. Much of the existing housing inventory is small, older homes on small lots, although some larger homes on river view lots also exist. Along Main Street (U.S. 95), most of the residential properties have been converted to commercial uses. A few vacant lots in residential areas provide opportunities for infill, but they are limited. Most new housing is being developed outside the city within creek canyons that are accessed by existing roads. The only large parcels of flat ground near town are the former mill site at the confluence of the Main Salmon and Little Salmon Rivers, and the former site of the airstrip across the river from downtown (currently with no bridge access).
- Housing inventory and occupancy figures from the 2000 census indicated that about one-in-five housing units was vacant (see table below). However, anecdotal information from local property owners and realtors indicates that vacancy rates are near zero in 2005. A formal housing survey would quantify current housing data, and identify opportunities for additional development.

Housing Occupancy in Riggins, 2000

Total Housing Units	253	100%
Occupied Housing Units	204	81%
Vacant Housing Units	49	19%
Seasonal/Recreational Use	11	4%
Homeowner Vacancy Rate		6%
Rental Vacancy Rate		21%

Housing Tenure

Occupied housing units	204	100%
Owner-occupied units	127	62%
Renter-occupied units	77	38%

Source: 2000 Census

Substance Abuse

- Local social services and law enforcement organizations report that drug and alcohol abuse problems have been rising in Idaho County. Methamphetamine was cited as a particular concern. Seasonal employment and low-paying jobs tend to exacerbate these issues. Substance abuse problems are likely a factor in the crime rate, and tear at the social fabric of the community.

Health Care Availability

- Riggins has one health clinic owned by the Payette Lakes Clinic (a private physician-owned group), along with an assisted living facility and retirement home. The clinic is open part-time and provides basic primary care. There is no local pharmacy in Riggins, so pharmaceuticals can either be ordered through the Payette Lakes Clinic for 1-2 day delivery, ordered via internet providers, or residents must drive out of the area to Grangeville/Cottonwood or McCall. Improvements in high-speed internet service in Riggins may enhance the range of diagnostic services available at the Riggins clinic through telemedicine.
- The population of Riggins and its surrounding trade area are in a period of transition, with an aging population and increasing number of vacation homeowners.

Lack of Funding for Basic Public Services (Small Tax Base)

- Basic services such as water, sewer, law enforcement and waste removal affect all businesses and citizens, as well as tourists. The small population of Riggins, lack of business base, and low income of residents create challenges for the City when costs for upgrades, insurance, electricity, fuel and other expenses continue to increase.
- Tourism facilities and visitors have significant impacts on City services, with no major source of revenue for the City to defray those costs.

Limited Variety/Availability of Goods and Services

- Due to its small population, Riggins has a limited supply of retail goods and services.

REAL ESTATE & PUBLIC FACILITIES

SIGNIFICANCE

Constructing and operating a commercial building is a major cost factor for businesses. Companies evaluate office and commercial lease costs and availability when selecting locations for facilities and offices since the costs can vary substantially from area to area. The consulting team's experience in business site selection reveals that 60-80% of new business locations are seeking an existing building. Available buildings are very important to the success of manufacturing, distribution, and technology-related projects.

Companies also need convenient access to facilities for meetings, strategy sessions, off-site training and occasional gatherings of customers or suppliers. Meeting and event activities attract visitors from outside the area. Other groups gather for association meetings, social events and competitions.

STRENGTHS

Land Available for Development (near Riggins)

- The Riggins area contains various high quality commercial sites available for business development, including a large lot in the center of town, and the former mill site at the edge of town. Additionally, some commercial development is located along the Little Salmon River south of Riggins in the Pollack and Pinehurst areas. While limited, these key properties could make significant contributions to the local economy if appropriately developed.

Facilities for Meetings & Events

- There are small meetings facilities at the Best Western Salmon Rapids Lodge (capacity 50-60), the Heritage Center (30-40), the Odd Fellows Hall (75), and the school gym. There is a small amphitheater in the City Park for outdoor concerts. However, there are no large venues for meetings, conferences, trade shows or events.

City Park, Boat Ramps & Sports Facilities

- Riggins has a City Park with picnic facilities, restrooms, boat ramp, amphitheater/stage and ample parking. The Hot Summer Nights music festival and other events are held in the park, and residents and visitors take advantage of its green lawn and shade trees in the summer months. Other boat ramps are located near Time Zone Bridge north of town and at Spring Bar east of town.
- The high school has a football field, grass track, baseball diamond and field event facilities. However, there are no regulation baseball/softball diamonds.

WEAKNESSES

Commercial Buildings & Sites

- From a strictly functional standpoint, it appears that there are no available commercial buildings in Riggins for a small manufacturing firm. Some retail space is available periodically, but it is generally located in a converted residential property, rather than a building designed for retail business. Building sites appropriate for commercial development are limited, and there are no designated commercial/business park sites with services.

No Place to Walk/Bicycle Safely

- Riggins residents (especially seniors) indicated a need for a walking track or trail removed from the highway. The proposed events center upgrades to the high school facilities included a hard surface track, but that project currently is not planned for implementation. Another option is a river trail linking the City Park and the Salmon Rapids Lodge, which would serve both residents and tourists.

Limited Venues for Sporting Events

- The High School facility has only non-regulation baseball field.
- A golf course is not available and with the geography of the Salmon River Canyon, enough reasonably flat acreage is difficult to find.
- The annual May Rodeo draws a crowd from surrounding area, but the arena and grounds are in serious need of repair.

Housing

- Within Riggins city limits there are only small “infill” lots available for residential development. The lack of such sites presents a barrier to attracting new residents. A larger residential base would improve economies of scale for public facilities and retail services.
- Affordable housing for seasonal and/or low-wage employees is seriously lacking

BUSINESS CLIMATE

SIGNIFICANCE

Business climate is one of the most important factors in business location decisions, and the creation of higher paying jobs. It is a combination of local government effectiveness and attitude, the permitting and regulatory situation, taxes, etc. As the differential in costs for labor and traditional inputs becomes smaller around the country, intangible factors, such as whether business sees local government as helpful, indifferent, or hostile, become even more important as factors in location decisions.

How business is treated on a day-by-day basis is the essence of business climate. Business and industry have many location alternatives when deciding where to make their investment. Time is money. If a community places impediments to the development process, those investment dollars will be placed elsewhere.

Businesses depend on government to provide infrastructure, education, and equitable tax rates. Government regulations such as planning and zoning affect business investment decisions and profitability, which in turn affects jobs. At the same time, citizens rely on government to provide appropriate regulations to protect quality of life and a clean, healthy environment. Businesses need cooperation and coordination from all public sector entities when they expand or locate new facilities (local, county, state, federal).

A growing share of new jobs in the U.S. economy stems from the formation of new companies. A business climate that supports and rewards entrepreneurs, and that understands their needs, is an important component of thriving economies throughout the U.S.

STRENGTHS

Entrepreneurial Climate

- There is a viable “small business” base in Riggins, with low tax rates and labor costs.
- The high proportion of retired residents with business or technical background offers a strong resource for business assistance and mentoring.
- A few “lone eagles” (knowledge-based professionals who are sole proprietors or part of a small group) already are located in the community.
- Tourists are a potential source of new business leads. Guests in motels often inquire about business opportunities, and the types of businesses needed in Riggins.
- The Riggins Chamber of Commerce has a membership of 120 organizations representing retail, real estate, construction, accommodations, food and beverage, outfitter/guided trips and services, churches, emergency services, schools, and libraries. Member benefits include business and community promotion, representation of business issues to city and county officials, and networking.

Balanced Tax and Regulatory System in Idaho

- Idaho consistently is ranked as one of the top business-friendly states in the West because of its tax structure, business costs and regulatory environment (worker’s compensation, liability, etc.).
- Building permits are not required by Idaho County (outside the City limits of Riggins).

WEAKNESSES

Limited Business Assistance Services

- Business assistance services in Riggins are minimal. However, the Ida-Lew Economic Development Council provides assistance to communities in Idaho and Lewis Counties for business recruitment, and refers existing businesses to other resources, such as TechHelp (for manufacturers), the Small Business Development Center (SBDC) at Lewis Clark State College, or the SBA loan programs available through the Clearwater Economic Development Association (CEDA).
- Additional financial incentives for existing and new businesses are lacking, or non-existent.
- Coordination between public agencies (city, county, state, federal), and between the public and private sectors, needs improvement.

MARKET ACCESS & MARKETING

SIGNIFICANCE

Market access, logistics, and marketing costs are an important component of operating costs for all companies. Retailers consider logistics to access their target customer groups. Industrial and manufacturing operations are often located in the geographic center of their markets because of transportation logistics considerations for national, regional, and multi-state territories. Market access also is important to the tourism industry, regional retailers and other consumer service companies, since access to customers is the primary consideration in the success of consumer-oriented business.

STRENGTHS

Location

- Due to its remote location, Riggins is a logical stopping place for north-south travelers in Idaho. Its remoteness necessitates that local residents use local goods and services because of distances to alternative businesses.
- As a retail center, Riggins serves local and tourist markets. Retail development programming should focus on strategically addressing retail leakage in areas where there is realistic potential for recapturing some of those dollars in Riggins.
- Lone Eagles are not location-dependent to operate their businesses, so attraction of this business sector is a viable strategy for Riggins.

Tourism-Related Promotion

- The impact of the tourism industry on the community of Riggins is considered a strength by the residents.
- The Salmon River Chamber of Commerce and North Central Idaho Travel Association are engaged in promotion efforts targeting tourists. Strategies include media advertising, Internet and direct mail campaigns, and partnerships with state agencies and trade associations.
- Sports tournament visitor surveys indicated that events could attract additional visitors to Riggins, and boost visitor spending. Lacrosse tournament visitors spent an estimated \$12,500 while in Riggins for a one-day event (many stayed 2-3 days). Eighty-six percent of the spending was on lodging and food/beverage. The average spending per party was \$305. The tournament impact could have been increased with marketing efforts targeting tournament participants. Twenty-five such events annually could generate more than \$375,000 to the economy.
- Annual community events in Riggins draw visitors from throughout the Northwest.

WEAKNESSES

Distance to Markets

- Riggins is located a significant distance from major population centers and transportation (shipping) facilities, which is a disadvantage for manufacturing businesses. However, Riggins businesses have access to tourists who visit Riggins, and to global markets via the Internet.

Limited Resources for Economic Development

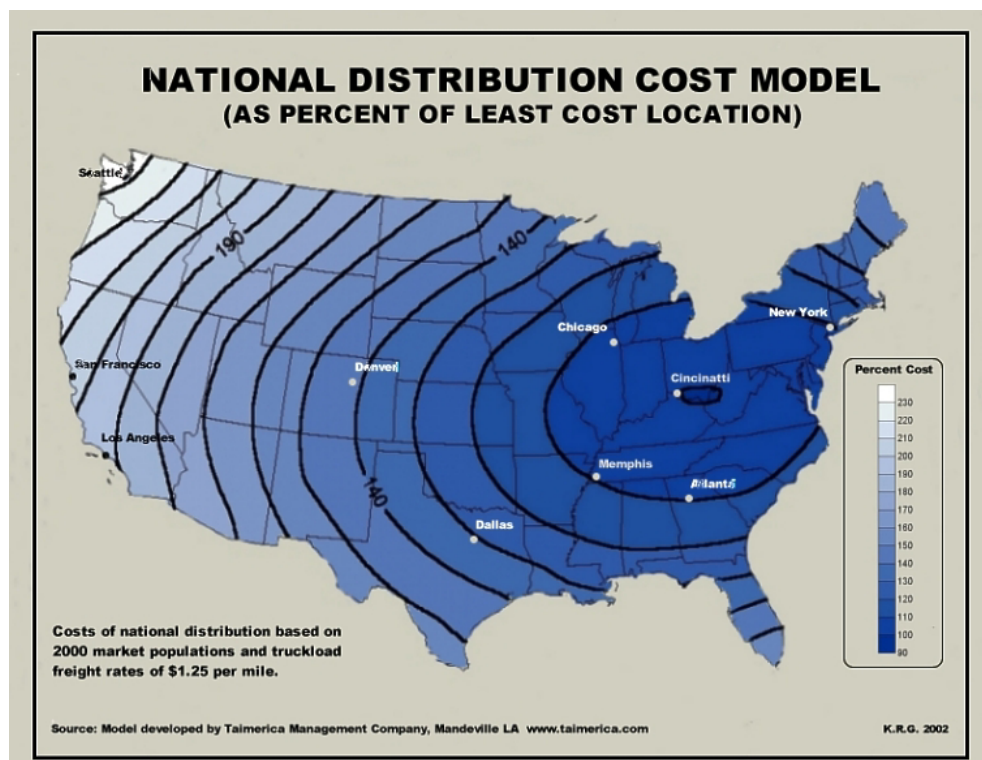
- The City relies on grant funds to assist with economic development, and the Ida-Lew Council budget is extremely limited (one staff person to cover two counties for business recruitment, retention/expansion, new business assistance and infrastructure). The Clearwater Economic Development Association (CEDA) provides grant writing, business loans, technical assistance and other services to communities in its region (including Riggins). The Idaho Department of Commerce and Labor provides community development block grants, Gem Community grants, and rural assistance grants for community improvements and public facilities (see Chapter 7 for more information).

Limited Resources for Tourism Marketing

- The Salmon River Chamber receives \$6,000 - \$10,000 annually from the Idaho Travel Council grant program for tourism promotion, plus additional local funds. Funds are used for a web site, cooperative advertising, promotional brochures, billboards and/or trade shows. Funds are limited, and there is no paid Chamber staff person to respond to inquiries or conduct other promotional/sales activities on behalf of the community.

National Market Access

- A barrier for economic development in much of rural Idaho is distance to markets.
- Companies that require cost-efficient access to national markets are at a competitive disadvantage throughout Idaho County, including the City of Riggins (see map below).
- Access to a major airport is also less than ideal. Boise, Idaho (150 miles to the south) offers the nearest full-service passenger airport.



WORKFORCE AND TRAINING

SIGNIFICANCE

The sophistication level of workers in the U.S. has increased over the past decade, as employees utilize more information technology to accomplish their tasks. Workers need good basic skills in math and language as well. Businesses need employees with computer and administrative skills. Low turnover and absenteeism also are important factors as most businesses operate without a redundancy of workers trained in specific operations such as purchasing and accounting.

Labor costs are among the most critical cost factors in business location decision. Labor is a major cost, typically accounting for 35% or more of operating costs. As a result, labor costs are closely scrutinized in business development decisions.

STRENGTHS

Work Ethic, Workforce Skills & Costs

- Many companies report that workers in Idaho are more productive than those in other states, due to a strong work ethic and value system.
- Based on local discussions and interviews, it would appear that a number of people with professional and technical skills have moved to Riggins to take advantage of its quality of life.
- Wage rates in Idaho County are affordable for employers.

Workforce Training

- Idaho provides workforce training funds to displaced workers, and to employers who create new jobs in rural areas. Lewis Clark State College provides both an existing and a custom program of workforce training classes for workers and businesses.

WEAKNESSES

Available Labor Supply

- Some Riggins businesses reported a lack of qualified workers in the area. They report particular difficulties in finding semi-skilled to skilled workers, and cite a lack of workforce training opportunities.
- Some employers interviewed by the consulting team indicated it is difficult to find good employees locally, and many of the available workers tend to be transient without a good work ethic. Turnover rates were high at a number of the businesses interviewed, although wage scales may be a factor.
- Riggins and Idaho County had median ages of 51.7 and 42.3 respectively, which is significantly older than the 33.2 median age for Idaho and 35.3 median age for the U.S. This reflects an influx of retirees and a loss of younger age groups. It also reduces the availability of those likely to be in the workforce, so Riggins businesses will need to recruit employees from a larger geographic area.

TRANSPORTATION

SIGNIFICANCE

Transportation access is important to economic development for several reasons. It impacts a company's ability to ship and receive goods in a timely and cost-effective manner. Location consultants find that many companies desire to be immediately adjacent to an interstate highway or a good four-lane highway. Typically, air service is necessary for corporate, client and employee travel, and tourism is dependent on adequate highway access and available air access.

Business owners, management personnel, sales representatives, business visitors, and tourists are heavily reliant on frequent and reasonably priced air passenger service. A high cost location from an air service perspective can become a negative factor in business site selection, and visitor trip destination planning.

Local general aviation airports serve an important function in providing direct air access to a community by private aircraft. This is important for businesses as well as for tourists.

STRENGTHS

Location on Highway 95

- Riggins is located on U.S. Highway 95, the main north-south route in Idaho.

Water Transportation

- River transportation by jet boat and drift boat/raft is available on a seasonal basis.

WEAKNESSES

Freight Costs/Availability

- Businesses in Riggins report that freight costs are relatively high, and freight options are limited.

Distance to Interstate Highway & Airport

- Riggins is located nearly 200 miles from the nearest Interstate highway and major commercial airport (at Boise).

No Rail or Air Service

- Riggins has no rail service, and no commercial air service. A small grass landing strip for general aviation uses is located 20 miles north near Slate Creek. The closest airports with charter passenger air service are at Grangeville (45 miles north) and McCall (46 miles south).

UTILITIES & TELECOMMUNICATIONS

SIGNIFICANCE

Lack of available water and sewer capacity can be immediate “knock out” factors for many companies when deciding where to locate. Sewer capacity is important to all types of businesses. Availability of excess sewer capacity also is an indicator of a community’s readiness for economic development.

For some companies, especially those with a process that uses heat or water, utility rates and reliability can be the deciding factor in their ultimate locations. Commercial and industrial power costs vary significantly from area to area because of differences in fuel selection and regulatory policies.

High-speed, broadband telecommunications capacity is the infrastructure of the New Economy. Most businesses and industries must have this capacity in order to be competitive and operationally effective. Lone eagles rely on high-speed Internet to do business, and tourists expect both Internet access and cell phone service wherever they travel.

STRENGTHS

Water Availability

- Riggins has plentiful well and irrigation water for municipal uses, and irrigation water from the Salmon and Rapid Rivers. The City’s municipal water system was upgraded with a new water storage/treatment facility and some distribution mains in 1999 and 2000.
- The City currently is in compliance with EPA wastewater requirements. However, Riggins is located on a stretch of the Main Salmon River where TMDLs (Total Maximum Daily Loads) for treated wastewater discharge are not yet established. TMDLs are currently being established for the Little Salmon watershed through the Idaho Dept. of Environmental Quality (DEQ) office in Cascade, though no time frame for completion is available.

Opportunities for Alternative Energy (Hydro/Wind/Solar)

- Because of its location and climate, Riggins has opportunities to develop alternative energy, through hydro, wind, solar or even biomass.

Telecommunications

- Cellular phone service recently became available in Riggins via Cellular One, although some cellular services cannot yet access it.
- Wireless high-speed internet service is available to all residents and businesses via several satellite service providers, including Wild Blue through Lucky Star Satellite in Grangeville, which has installed several wireless connections in the Riggins area.

WEAKNESSES

Unreliable Power

- Electrical power service in Riggins is provided by Idaho Power. Due to its location ‘at the end of the line’, residents and businesses frequently cited problems with the unreliability of power service, including regular outages lasting 10 minutes to 5 hours that resulted in business revenue and inventory losses.

City Wastewater at Capacity

- The City's wastewater system is at/near volume capacity, so any additional growth will require more capacity, which is an expensive undertaking that could significantly increase costs to residents and businesses. Some limited services are being provided to properties outside the City limits that are in the City's area of impact.

City Wells Could be Affected by Surface Conditions

- The City needs to protect its wellheads from encroachment by development and ranching activities, in order to prevent contamination by surface conditions.

Telecommunications

- There is no direct telecommunications connection between Riggins and Grangeville because of a gap in the loop between Grangeville and White Bird. The regulatory situation has improved to allow possible improvements across the lata line at the top of the White Bird grade, but communications providers have not yet expressed interest in upgrading services.
- Traditional DSL, or high-speed internet access, is available only through Frontier, a Citizens Communication Company, if the applicant qualifies by living in close proximity to Frontier's equipment. Dial-up internet access is also an option via Frontier. Lack of suitable circuits has been a drawback for uses such as online tourism-related sales, and data-intensive users.
- Any lack of service affects electronic outreach education and intercommunications between schools in Joint School District 241.

SUMMARY OF STRENGTHS & WEAKNESSES

Based upon citizen comments during public meetings, personal interviews, as well as field observation by the consulting team, key strengths and challenges can be summarized as follows.

QUALITY OF LIFE

Strengths:

- A strong “sense of place” with great appearance and “curb appeal”
- Abundant access to natural resources
- Good community volunteerism

Challenges:

- Declining school enrollment
- Limited housing and limited health care/pharmaceuticals availability
- Concern over localized substance abuse
- Small tax base to support schools and public infrastructure

REAL ESTATE & PUBLIC FACILITIES

Strengths:

- Several key commercial sites are available
- Good availability for small meetings (30-75 people)
- Acceptable outdoor recreation facilities

Challenges:

- Limited availability of commercial buildings
- Lack of designated bicycle and pedestrian pathways
- Limited available sites for residential development

BUSINESS CLIMATE

Strengths:

- Positive conditions for an entrepreneurial climate
- Balanced tax and regulatory system (state)
- Existence of state support programs for rural business development

Challenges:

- Limited direct assistance for businesses (counseling, planning, capital)
- Limited business incentive programs on state level

MARKET ACCESS AND MARKETING

Strengths:

- Good location on travel routes for tourist market
- Geographic isolation positive for local market development
- Increasing tourism in the region

Challenges:

- Geographic isolation a barrier to manufacturing businesses
- Limited resources for economic development & tourism promotion
- Limited access to national markets

WORKFORCE AND TRAINING

Strengths:

- Reputation of Idaho workers
- Influx of new residents with technical skills
- Low wage rate attractive to some businesses
- Availability of state funding for workforce training

Challenges:

- Small size of semi-skilled to skilled work force
- High local turnover rates among workers
- High proportion of older residents in population
- Low wage rate results in low household income

TRANSPORTATION

Strengths:

- Location on Highway 95
- Transportation by water on Salmon River

Challenges:

- Distance from Interstate Highway route
- Distance from public/commercial airport

UTILITIES AND TELECOMMUNICATIONS

Strengths:

- Available water for municipal and irrigation purposes
- Compliance with EPA wastewater regulations
- Opportunities to develop alternative energy sources
- Cell phone service available

Challenges:

- Unreliability of electrical power service
- Limited availability of low-cost, high-speed Internet (DSL or Wireless)
- High-speed Internet not available in all locations
- No direct telecommunications connection between Riggins and Grangeville
- Limited electronic outreach education and intercommunications between schools
- City wastewater system functioning near full capacity
- City wells lack protection from surface contamination

CHAPTER 4: COMMUNITY POTENTIAL

As communities pro-actively engage in the process of achieving economic growth and sustainability, experience has shown that having a common “sense of direction” enhances the probability for success. Indicators for the most effective strategies emerge from several sources. This report already has explored important issues and “clues” for strategic development that have arisen from a statistical analysis, as well as a review of community strengths and weaknesses.

An additional component of finding common direction is the critically important step of discovering what the community believes it can accomplish. This aspect can provide the basis for the community’s “passion” for action.

In order to help the Salmon River Canyon community create an economic diversification strategy appropriate to local conditions, and consistent with community desires, several public planning meetings were held in Riggins. The meetings were designed to stimulate conversation and to be participatory in nature, reflecting the belief of the consulting team that any strategy must be owned by the community in order to have a chance of being implemented.

As indicated, these interactive sessions engaged in a participatory decision-making process that ultimately led to a prioritization of employment-creating strategies. This extended discussion process resulted in a commitment to action by participants targeting the following three Areas of Interest (a more detailed report of these results can be found in Appendix A).

- **Job Growth through “Business Gardening”** – This involves elements of business retention and expansion, entrepreneurship, Lone Eagles, and targeted business recruitment. It emphasizes taking advantage of local assets and opportunities, primarily by existing businesses or residents.
- **Attracting Retirees** – The group felt this was happening anyway and could be proactively encouraged in simple and achievable ways. Together with tourism, actions to improve the amenities of Riggins would help realize the community’s potential here.
- **Tourism** – This has been the new engine of growth for the last twenty years, but the group felt there was room for additional work, especially in areas other than river recreation.

The community discussion process provided a good foundation for next steps based upon a compilation of known factors, outside observations, and the community’s belief in its potential for economic growth. These three areas of community interest are respected by and integrated within this Economic Development Strategy.