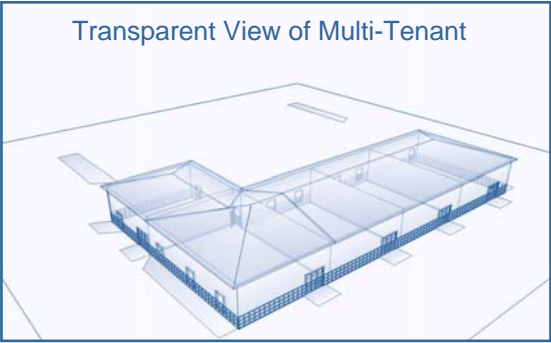


KAMIAH COMMERCE PARK

APPENDIX

March 2012



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Kamiah Commerce Park

Business Survey Results September 14, 2011

The Hingston Roach Group, Inc.
Lorraine Roach, President & CEO
Kara Harder, Director of Research

Introduction and Overview

Methodology:

- Survey was conducted online from August 24 to September 8, 2011
- Survey invitation was sent via email to members of the Kamiah Chamber and Northern Intermountain Manufacturers' Association (NIMA). Survey link also was listed in the Clearwater Progress.
- Survey respondents had the option of answering questions about local business climate and workforce, or skipping those questions. Fifty-five percent of the respondents answered the questions.
- In the summary below, the “n” counts (n=) are the number of respondents for that question.

Key Findings:

Respondents

- A total of 33 business owners/CEOs completed the survey, 75% of them from the Kamiah-Kooskia area. Respondent businesses currently employ 152 people.
- Of the respondents, one-third (11 businesses) indicated that their business may move to a different location in the next 3-5 years.
- The businesses that may move currently employ 55 people, and anticipate that they will employ 93 people in five years, an increase of 38 jobs (27 full-time, 7 part-time, 4 seasonal/on-demand).

Site Location Plans

- Of those who may move, seven businesses indicated that they would consider a Kamiah business/industrial park location.
- Half of the businesses that may move prefer to own their site, half prefer to rent/lease.
- The most popular type of site preferred is a mixed use business/commercial park. About half prefer a single-tenant building, and half prefer a multi-tenant building.
- Eight businesses provided information about current and future space needs. Of those, the total acres needed is 39 (ranging from 2 to 30), and the total square feet needed is 59,100 (ranging from 800 to 20,000).
- All businesses indicated that broadband access is “Absolutely Essential”. Other important services are City public safety (police, fire), highway visibility, proximity to retail services, City water/sewer services, and water for processes.
- Most prefer to handle financing themselves, although there was interest in financial incentives.

Local Business Climate and Workforce Situation

- Overall ratings of the local workforce were Good to Very Good, with the exception of the availability of skilled workers. Businesses indicated some difficulties filling certain positions, including machinists, welders, machine operators, chefs, web site management, etc.
- Ratings of the State education system for technical and college programs were Fair to Good. Notably, none of the businesses rated the education system as Excellent.
- Most of the businesses agreed that local financial organizations provide solutions for their business needs, and that local government is cooperative for business.

Survey Results

Total Respondents: 33

Locations of Respondents: Kamiah (22), Kooskia (3), Grangeville (2), Elk City (1), Clarkston (2), Garfield (1), N/R (2)

Types of Business:

- 6 Manufacturing
- 1 Wholesale/Distribution
- 5 Real Estate/Rentals
- 4 Health Care
- 2 Financial Services
- 2 Communications
- 1 Religious
- 11 Retail/Service/Tourism
- 1 N/R

Consider moving in 3-5 years:

- 8 Likely/Somewhat Likely
- 3 Not Sure
- 17 Not at all
- 5 N/R

If considering a move, would you consider a Kamiah business/industrial park location:

- 3 Very/Somewhat Likely
- 4 Not Sure
- 3 Very Unlikely
- 23 N/R

Prefer to own or lease: 5 own, 5 lease

Type of location preferred (choose all that apply): n=10

- 1 Industrial park built solely for industrial tenants
- 8 Business park built for a mix of light industries and commercial tenants
- 4 Just a lot in a commercial or industrial zone
- 5 Single-tenant building
- 4 Multi-tenant building with other suitable tenants
- 4 City-owned business or industrial park
- 6 Privately-owned business or industrial park
- 3 Tribally-owned business or industrial park

Total acres needed: 39 (range of 2 to 30, n=8)

Total square feet needed: 59,100 (range of 800 to 20,000, n=8)

Current employees: 52 full-time, 3 part-time, 0 seasonal/on-demand (n=26)

Employees in five years: 79 full-time, 10 part-time, 4 seasonal/on-demand (n=23)

Services needed (5=Absolutely Essential, 1=Not At All Essential): (n=9)

Broadband	5.000
City police & fire	3.778
Highway visibility	3.111
Near to retail services	3.111
City water/sewer service	3.111
Water for mfrg/processing	3.000
Truck traffic capacity	2.778
3-phase power	2.444
Propane	2.222
Hazardous material disposal	1.444
Rail access	1.000

Other important location factors: good signage; adequate customer and employee parking; adequate light truck delivery access/loading dock.

Financial preferences for relocation (n=9):

Will handle financial arrangements myself	3.667
Financial incentives	3.222
Tribal incentives	2.444
SBA or special financing	2.333

Ratings of Local Workforce:

	5=Excellent	4=Very Good	3=Good	2=Fair	1=Poor	N/A	n=	Mean
Quality of Workers	5	3	5	3	1	0	17	3.471
Availability of Skilled Workers	0	3	5	6	3	0	17	2.471
Work Ethic of Workers	2	6	3	3	3	0	17	3.059
Worker Productivity	2	4	3	4	2	2	15	3.000
Low Turnover	5	4	5	3	1	1	16	3.438
Low Absenteeism	3	5	2	4	2	1	16	3.188

Difficulty filling positions: 11 No, 7 Yes

Positions difficult to fill: sales, machinist, welder, machine operator, chef, housekeeping, inventory, web site management, servers

Why difficult to fill: lack of skilled and motivated applicants, pay scale

Ratings of State Education System:

	5=Excellent	4=Very Good	3=Good	2=Fair	1=Poor	N/A	n=	Mean
Community College	0	0	7	7	0	3	14	2.500
Technical Training	0	1	4	6	2	4	13	2.308
4-Year College/University	0	2	4	7	0	4	13	2.615

Ratings of Local Business Climate:

	5=Strongly Agree				1=Strongly Disagree	N/A	n=	Mean
Financial organizations in my community tailor financial services to my business needs	3	5	4	2	2	1	16	3.313
Local government is cooperative for business	4	5	4	3	1	0	17	3.471

Respondent Comments

How State, City, County, Tribe, Economic Development organizations could better meet your needs:

- Remove regulations and mandatory covenants.
- Provide small business development and management classes or workshops and a network that allows for access to economic development initiatives and funding programs.
- Stay out of the business of business let the free market work.
- Organize better, promote growth instead of getting in the way of growth. Look at the larger picture when it comes to business growth.
- We are in a different situation, the Tribe owns the majority of available ground large enough. City and local economic development doing as much as they can.
- They could get out of the way. Rather than encouraging apathy and dependence on government, create a zone of personal responsibility. The local economic development groups could focus on principles of liberty and growth instead of being a successful pig at the grant trough.
- Encourage all entities and organizations to shop at home. Check prices locally, ask about discounts, and factor in time and fuel to go to Costco, Walmart, Home Depot, etc.
- I have no complaints. They are doing a good job. They have been very supportive.
- Be more business friendly. Charge differently for water/sewer connections.
- Create more jobs.
- Realize that tourism is the only hope for the area's economy. Promote the area for tourism, support the Idaho tourism efforts from the Dept of Commerce; realize that certain messages are bad for tourism, etc.
- Make a concerted effort to partner with local educators to work together to build healthy schools where educators are compensated fairly and students graduate career or college ready.

Community actions to improve the business environment:

- Small business incubator with micro-loan program.
- Provide a small business course that is tailored to a business owner's or a worker's schedule or notification of available small business programs. Classes would meet locally, be held on Saturdays, offer intense training on management, state and federal regulations, marketing and business plan development all in one course. Not 75 miles away, in the evenings, or piecemeal.
- Hold elected officials responsible for stupid laws passed making it hard for a small business to stay afloat.
- Supporting local businesses, instead of shopping outside of town. Between the internet and people shopping in Lewiston, most of the \$ in this town gets spent outside of it.
- Doing what they can to promote businesses.
- The community could remove silly anti-business rules (i.e., on signs). The community could demand schools be run more for students than adults. They could develop a culture of responsibility. Currently the population is trained to be "entitled" and mentally lazy.
- Again, shop at home.
- They are active. I think a business park would be a great addition.
- Support local business with local spending. Teach kids a work ethic.
- Potential business owners consider the quality of the public school system when deciding whether or not to pursue business opportunities in a community. Currently, the Kamiah School District appears to be struggling with funding issues and employment retention issues...The KSD is one of the largest employers in the community and it is important to maintain a healthy relationship between the school and the business community. Business owners will directly feel the effects of reductions in salaries and benefits for school employees. It's risky business to start a new business in a community where the public school system is faltering.

Strengths of community related to business:

- Geographic isolation limits competition.
- Flexibility to grow and develop.
- There is still a small town feel which makes it easier to travel to work and faster to get things done.
- Service
- Good mix of businesses for a town our size.
- Kamiah has a strong Chamber of Commerce. The Chamber actively promotes local businesses.
- Great Chamber of Commerce and good local support.
- Long termed businesses who know how to succeed in our rural area who can help new businesses succeed too. Great highway and main east west route going through our area. Main Street theme and continuity. People here are willing to work hard and learn new things in order to live here and work here.
- Relatively low costs
- Nice location in rural Idaho
- Area of amazing natural beauty.
- Location that lends itself to tourism
- Qualify for federal and state assistance for new business start-up

Weaknesses of community related to business:

- No retail space for small businesses.
- Lack of connections to federal or state business development programs, Lack of local small business development instruction for entrepreneurs.
- No parking on main street, no room for expansion.
- Location, small town, lack of clientele
- Lack of available large properties.
- Division between Kooskia and Kamiah businesses and customers.
- Cheaper in Lewiston mentality, not recognizing the added expense of traveling, and ease of problem solving if purchased locally.
- A little behind in technology. Housing limited. Poverty mentality of some who can't see the potential all around us.
- Lack of skilled labor.
- Significant poverty "Entitlement mentality". People complain about lack of services but are not willing to pay a fair tax burden to support them. They just want it all handed to them and then they say, "keep the gov'mt out of my life".
- Little networking or support from one business to others. We've spent tens of thousands with local businesses but get little support in return.

Goods and services regularly purchased outside Kamiah area (more than 50 miles away):

- Groceries, accounting and legal, office supplies
- Office supplies, fabric, art supplies and jewelry items for manufacture of hand crafted items.
- 99% of inventory is purchased outside the area, having room to expand to make some products would reduce that burden, accounting services are utilized outside of Kamiah
- Office supplies
- Clothing, outdoor equipment, vehicles.
- Clothing
- Office supplies, natural and organic foods.
- Clothing, electronics, automobiles, shoes, books
- Printing of newspaper and special publications
- Frames, lenses, sunglasses
- Food delivered by Sysco even though some local suppliers could get our business if they tried, like the local bakery, butcher, etc.
- Local tradesmen are lacking: plumbers, electricians, etc. and often we have to bring in help from the outside area.
- Vehicles, farm and ranch equipment, clothing, spa chemicals/supplies, furniture

Desirable industries or businesses to locate in Kamiah to:

- a. Supply your business: accounting/bookkeeping, office supplies (2), electronics, books, manufacturers, trades such as competent plumbers, electricians, food suppliers, local farmers growing produce
- b. Use your products/services: Hotels/motels and vacation resorts could send tourists for locally hand crafted gifts and works of art and resident gift purchasers, delivery service, safety glasses needed by employees and eye exams, high tech, higher paying jobs, anything
- c. Provide support services: accounting/bookkeeping, FedEx, UPS, DHL, printing business, office equipment repair and sales
- d. Benefit the community: fast-food restaurant for cheap burgers and social gathering location, community organization that promotes and/or offers instruction for small business start-up and development, connections to lending programs and notification of other available training workshops, FedEx or UPS, light manufacturing (2), tourism

Other comments:

- We are opening a business in Kamiah.
- We would prefer to have business courses and capacity building offered within our region/area. Strengthen our rural communities.
- We have purchased property for our growth needs.
- As an active church in the community we support local businesses. We want our community to prosper and be strong. We pursue this in various ways from helping people to think better, treat each other better, have better leadership skills, see potential and strive to attain better things etc. We pray for our region to prosper and are willing to put feet to our prayers and get involved.
- It is not feasible for me to move.
- Kamiah has ignored its greatest resource which is a beautiful free-flowing river and mountains. Tourism is the key, but is barely recognized as the present and future hope. We need long-term, sustainable tourism businesses. I feel abandoned by the local community leaders.
- Would be nice to see light manufacturing in the area. Our remote location is unfortunate.

**PERSONS CONTACTED AND/OR INTERVIEWED
AS RESOURCES FOR KAMIAH COMMERCE PARK FEASIBILITY STUDY**

KAMIAH CITY COUNCIL

Dale Schneider, Mayor
Paul Schlader, Councilor
Mike Bovey, Councilor
Henry Bailey, Councilor
Larry Brown, Councilor

OTHER CITY PERSONNEL

Cathy LaBatt, City Clerk
Virginia Davis, Planning & Zoning
John Elliott, Building Inspector

KAMIAH PLANNING & ZONING

Virginia Davis
Robbin Johnston
Ralph Braden
Doug Warrington
Dan Musgrave
Bob Olive
Barbara Yates
Cathy LaBatt

PROPERTY OWNERS & BROKERS

Brad Hendren, Rock-n-Roll Realty
Robert Millage, Idaho Land & Home
Mike Steiger, Empire Lumber Co.
Harty & Marjorie Schmaehl, Idaho Development

BUSINESS OWNERS

Cyd Shane, Advanced Tarps & Textiles
Brendon Hill, South Fork Industries
Greg Johnson, Johnson's Jewelry
Gunther Williams, Idaho Sewing for Sports
Kristina & Bryan Wilkins, Cedar Creek Creations
Shirley Roach, True Value Hardware
Mark Snyder, Attorney
Peter Grubb, ROW Adventures
Michael Lusich, General Contractor

KAMIAH ACTION TEAM

Dale Schneider, Mayor
Debbie Evans, Kamiah Grants
Christine McNall, Kamiah Grants
Robert Simmons, Kamiah Chamber
Janet Cruz, Upper Clearwater Community Fdn
Melisa Bryant, Ida-Lew Economic Development
Steven Kinzer, Kamiah Community Partners

NEZ PERCE TRIBE

Allen Slickpoo, Jr., NPTEC
Rebecca Miles, Executive Director
Aaron Miles, Natural Resources Director
Jamie K. Olson, NPTE Executive Officer
Lilly Kauffman, Economic Dev't Planner
Ann McCormack, Economic Dev't Planner
Ed Brown, Finance Manager
Tony Johnson, NPTE Research & Dev't Manager
Chris St. Germaine, Project Leader
Kim Cannon, Land Services
Mary Beth Frank, Transportation
Cassandra Kipp, Natural Resource Planner

ECONOMIC DEVELOPMENT ORGANIZATIONS

Christine Frei, Clearwater Econ. Dev't. Assn.
Gil Bates, Ida-Lew EDC
Melisa Bryant, Ida-Lew EDC
Gunther Williams, Ida-Lew Chair
Dave Bonfield, NW Intermtn Mfrs' Assn.
Joyce Dearstyne, Framing Our Community, Inc.
Hank Ebert, Idaho Department of Commerce
Jerry Miller, Idaho Department of Commerce

COUNTY OFFICIALS

Carroll Keith, Lewis County Commissioner
Chuck Doty, Lewis County Commissioner
Don Davis, Lewis County Commissioner
Skip Brandt, Idaho County Commissioner
Jim Chmelik, Idaho County Commissioner
James Rockwell, Idaho County Commissioner
Leslie Snyder, Lewis County Assessor
Cathy Larson, Lewis County Auditor
Sheila Key, Idaho County Mapping Dept.

KAMIAH COMMERCE PARK SUMMARY OF COMMUNITY PARTICIPATION

The Feasibility Study for the Kamiah Commerce Park was conducted with extensive community participation during all phases of the project. Following is a summary of activities where Kamiah residents and members of the Nez Perce Tribe were briefed on preliminary findings and provided input to the consultants.

August 20 – September 15, 2011

Development, posting, and tabulating of business survey to measure local demand. This was publicized in the local newspapers.

August 30 – September 1, 2011

The consultant team met on-site over the 3-day period of August 30 to September 1. In addition to an orientation tour and collecting research data, meetings were held with the Kamiah City Council, the Action Team, and with several representatives of the Nez Perce Tribe at the Tribal headquarters in Lapwai. Individual meetings were held with real estate brokers to begin the process of identifying suitable sites. There were also meetings with the City's engineering consultants and with a company owner interested in relocating to the commerce park.

September 13 – 15, 2011

The consultant team held the first public meeting in Kamiah to discuss initial findings and gather public input. Meetings were also held with the Kamiah City Council, the Action Team, and the Nez Perce Tribe. The consultants participated in the fall meeting of the Inland Northwest Partners in Clarkston, Washington, to gather information about economic activity in eastern Washington and north-central Idaho. The visit also was used to assess potential sites and gather research information.

October 25 – 27, 2011

The consultant team held the second public meeting in Kamiah, as well as meetings with the Kamiah City Council (Public Meeting #2), Action Team, and the Nez Perce Tribe. Additional site visits and collection of research data were included.

November 14 – 15, 2011

The consultant team met with the Kamiah City Council (Public Meeting #3), Action Team, and Nez Perce Tribe. There was an in-depth evaluation of unresolved issues in order to develop the completed findings.

December 13 – 14, 2011

The consultant team made its final presentation of the completed Feasibility Study to the Kamiah City Council (Public Meeting #4), Action Team, and Nez Perce Tribe.

PRO FORMA: CITY-OWNED SITE	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
SCENARIO #1 (Site Marketing Only)											
COSTS											
Site acquisition	0	0	0	0	0	0	0	0	0	0	0
Survey & staking	5,000	0	0	0	0	0	0	0	0	0	5,000
Planning & zoning (internal costs)	5,000	0	0	0	0	0	0	0	0	0	5,000
Signage & marketing	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,000
REVENUES											
Lease revenues	0	0	0	0	0	0	0	0	0	0	0
NET COSTS											
Annual	12,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Cumulative	12,000	13,000	14,000	15,000	16,000	17,000	18,000	19,000	20,000	21,000	21,000
SCENARIO #2 (Site Master Plan & Marketing)											
COSTS											
Site acquisition	0	0	0	0	0	0	0	0	0	0	0
Survey & staking	5,000	0	0	0	0	0	0	0	0	0	5,000
Planning & zoning (internal costs)	5,000	0	0	0	0	0	0	0	0	0	5,000
Signage & marketing	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,000
Master Plan (engineering & planning)	30,000	0	0	0	0	0	0	0	0	0	30,000
REVENUES											
Lease revenues	0	0	0	0	0	0	0	0	0	0	0
NET COSTS											
Annual	42,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Cumulative	42,000	43,000	44,000	45,000	46,000	47,000	48,000	49,000	50,000	51,000	51,000
SCENARIO #3 (Site devel. + First Building)											
CAPITAL COSTS											
<i>Pre-Development Costs</i>											
Site acquisition costs	0	0	0	0	0	0	0	0	0	0	0
Legal & accounting Costs	5,000	0	0	0	0	0	0	0	0	0	20,000
Engineering & planning costs	50,000	0	0	0	0	0	0	0	0	0	50,000
Permits, fees, entitlements	3,000	0	0	0	0	0	0	0	0	0	3,000
Contingencies (15%)	8,700	0	0	0	0	0	0	0	0	0	8,700
Total Pre-development costs	66,700	0	0	0	0	0	0	0	0	0	66,700
<i>Site Development Costs</i>											
Staking & grading	5,000	0	0	0	0	0	0	0	0	0	20,000
Streets & sidewalks	8,045	0	0	0	0	0	0	0	0	0	217,800
Utilities	83,050	0	0	0	0	0	0	0	0	0	108,900
Contingencies (15%)	14,415	0	0	0	0	0	0	0	0	0	14,415
Total Site Development Costs	110,510	0	0	0	0	0	0	0	0	0	110,510
<i>Building Development Costs</i>											
Site preparation costs	22,400	0	0	0	0	0	0	0	0	0	22,400
Building construction costs	134,400	0	0	0	0	0	0	0	0	0	134,400
Building finishing costs	11,200	0	0	0	0	0	0	0	0	0	11,200
Asphalt parking lot, landscaping	84,000										
Utility on-sites & hook-ups	1,200	0	0	0	0	0	0	0	0	0	1,200
Contingencies (15%)	37,980	0	0	0	0	0	0	0	0	0	37,980
Total Building Development Costs	291,180	0	0	0	0	0	0	0	0	0	207,180
TOTAL PROJECT COSTS	468,390	0	0	0	0	0	0	0	0	0	468,390

PRO FORMA: CITY-OWNED SITE	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
OPERATING COSTS											
Building maintenance	Paid by tenant under NNN lease										
Management overhead	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000
Insurance	Paid by tenant under NNN lease										
Utilities	Paid by tenant under NNN lease										
Taxes	Paid by tenant under NNN lease										
TOTAL OPERATING COSTS	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000
TOTAL COSTS											
Annual	488,390	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Cumulative	488,390	508,390	528,390	548,390	568,390	588,390	608,390	628,390	648,390	668,390	668,390
BUILDING LEASE REVENUES											
Amount of space leased	0	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	
Gross revenue from building leases	0	20,160	20,160	20,160	21,370	21,370	21,370	22,652	22,652	22,652	192,544
Less marketing costs, lease reductions	0										
Land lease revenues for lots 2 - 5	0	0	0	6,000	6,000	12,000	12,000	18,000	18,000	24,000	96,000
Annual gross lease revenues	0	20,160	20,160	26,160	27,370	33,370	33,370	40,652	40,652	46,652	
Cumulative gross lease revenues	0	20,160	20,160	46,320	73,690	107,059	140,429	181,081	221,732	268,384	
NET COSTS (All costs - All Revenues)											
Annual	-488,390	160	160	6,160	7,370	13,370	13,370	20,652	20,652	26,652	
Cumulative	-488,390	-488,230	-488,070	-481,910	-474,540	-461,171	-447,801	-427,149	-406,498	-379,846	-379,846
EFFECT OF 400,000 GRANT FUNDING											
TOTAL COSTS MINUS GRANT FUNDS											
Annual Costs (All costs - All revenues)	88,390	160	160	6,160	7,370	13,370	13,370	20,652	20,652	26,652	
Cumulative Cash Flows	-88,390	-88,230	-88,070	-81,910	-74,540	-61,171	-47,801	-27,149	-6,498	20,154	87,494
Note: Over 10 years, the City also receives 20,000 from a management fee. Cumulative costs net of that fee are:	-68,390	-48,230	-28,070	-1,910	25,460	58,829	92,199	132,851	173,502	220,154	220,154
Building only costs = \$52.00 psf											
Project costs (includes land) = \$83.64 psf											
Orofino project costs = \$85.16 psf											
NOTE: Analysis includes Contingency Funds of \$61,075 that may not be spent.											