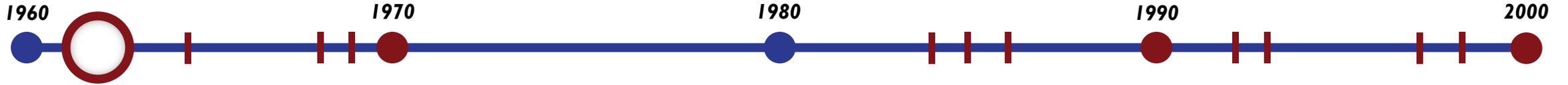
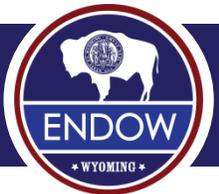
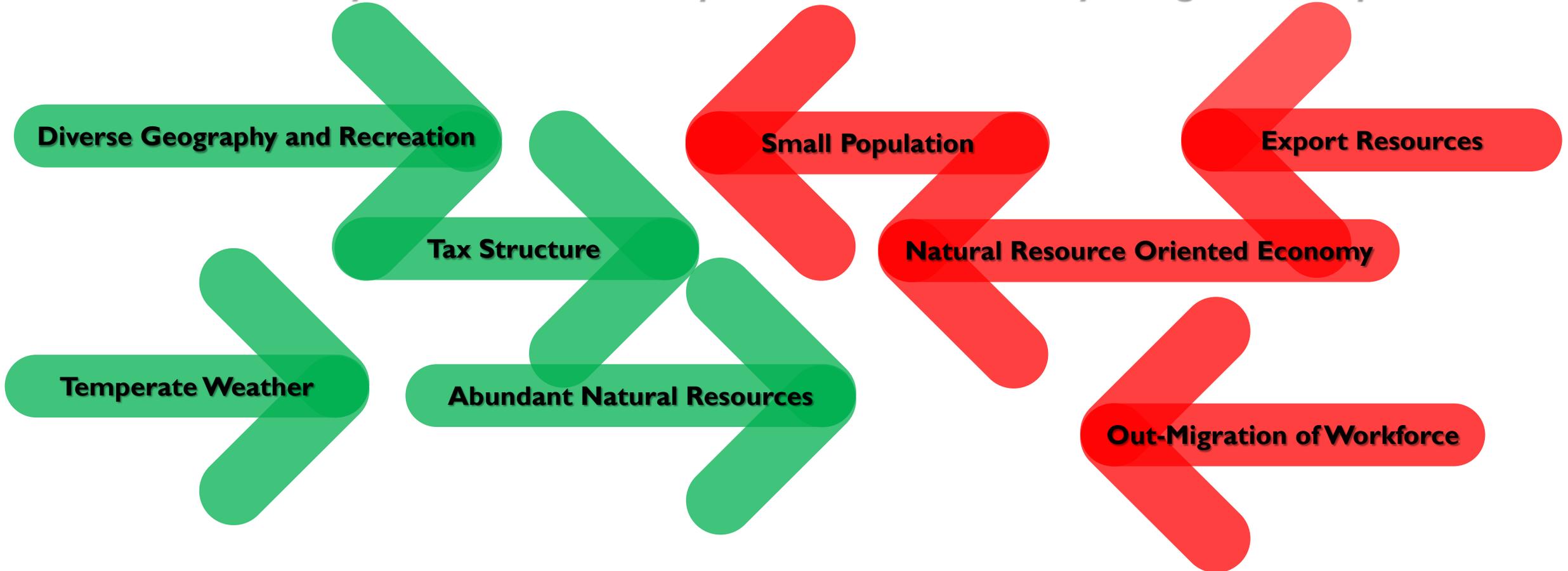


# ECONOMICALLY NEEDED DIVERSITY OPTIONS FOR WYOMING

**Jerimiah Rieman**  
**Director of Economic Diversification**  
**Strategy and Initiatives**

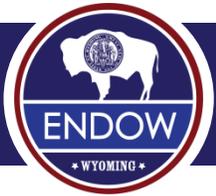
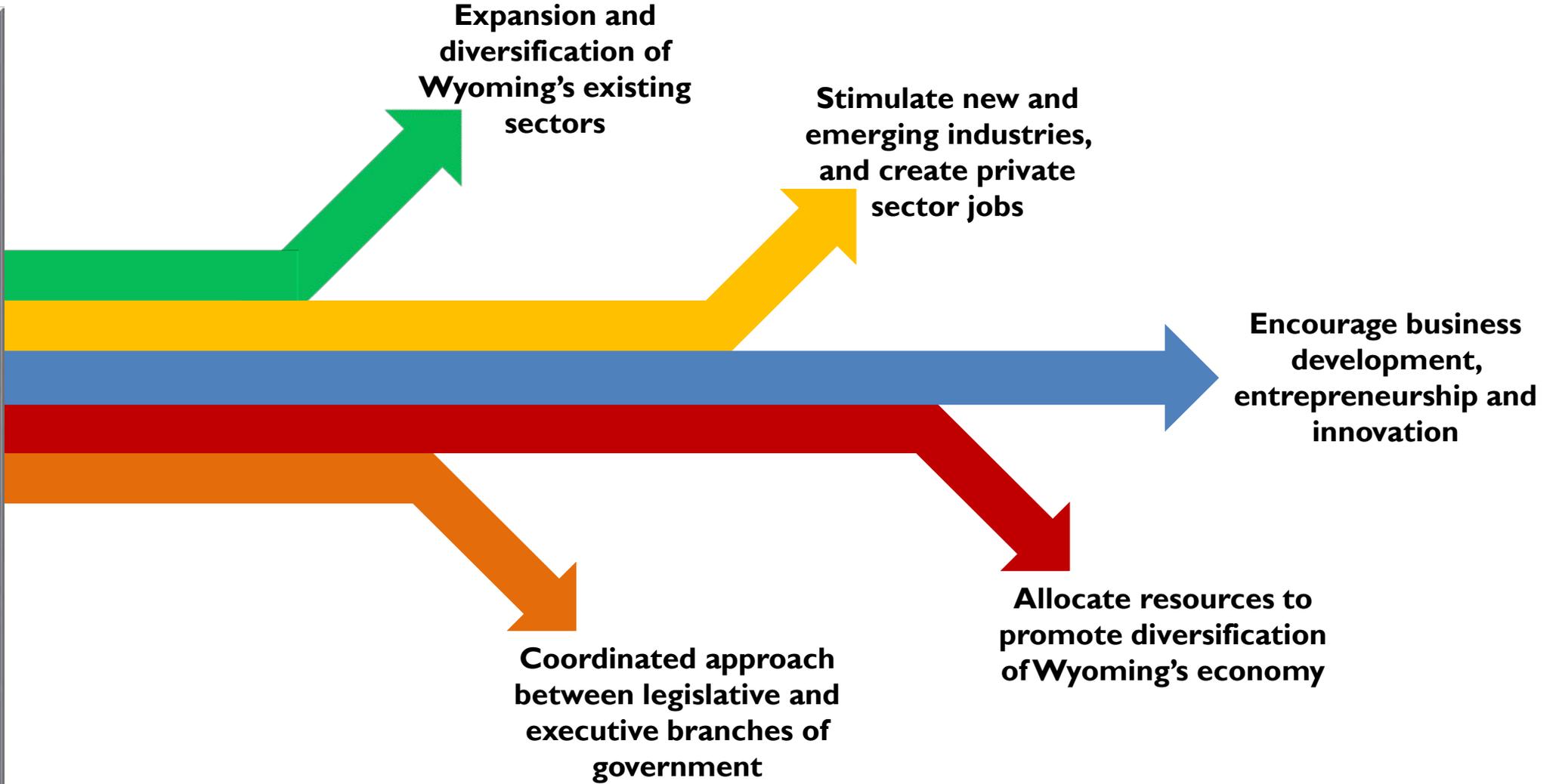


## 1962 A Study for Industrial Development of the State of Wyoming – Final Report



**HISTORY**

**20 YEAR  
COMPREHENSIVE AND COORDINATED  
ECONOMIC DIVERSIFICATION STRATEGY**



**WHAT IS ENDOW?**

**Governor's Board of  
Economic Diversification  
Advisors**

**ENDOW  
EXECUTIVE COUNCIL**



**LEADERSHIP AND SUPPORT AGENCIES**

**Creates an ENDOW Executive Council**

**Assigns powers and duties of the  
ENDOW Executive Council**

**Requires the Governor to designate a  
“coordinator of economic diversification”**

**Creates an economic diversification account**



**SF0132 – ENDOW INITIATIVE**

**AUGUST 30, 2017**

**Socioeconomic  
Assessment**

**Requires:**

- A snapshot of Wyoming's socioeconomic and economic trends and key enablers to growth in the state that translate to viable business development .
- An Assessment of existing workforce strengths and deficiencies.
- The identification of potential business development and innovation zones.

**DECEMBER 31, 2017**

**Preliminary Findings  
and Recommendation**

**Requires:**

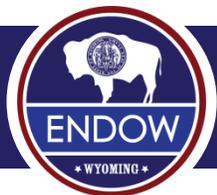
- An evaluation of investments necessary to support new and emerging industries or economic sectors, knowledge transfer, infrastructure, international trade, and cooperation between the public sector and private enterprise, assess the relationship between incremental state and local tax revenues and costs of public services, assess the relationship between tax burden and economic diversification.
- An identification of specific areas which should be designated as business development and innovation zones.
- An identification of existing deficiencies and strengths in Wyoming's workforce and workforce training programs.

**AUGUST 1, 2018**

**Final Report**

**Requires:**

- The submission of a strategy that contains explicit targets to guide the evolution of Wyoming's economy in order to build a sustainable and diversified, value added economy by 2038.
- Identify agency specific or collective actions that can be implemented immediately without new state appropriations and resources and agency specific or collective actions that will require new state appropriations or reallocation of state resources.
- Address the creation of business development and innovation zones.



**REPORTS**

## ACTION PLAN

- Four year action plans with performance benchmarks and the identification of policy recommendations and budget needs.

## EVALUATE

- Conduct studies to identify services, facilities and amenities that are attractive to businesses and their employees seeking to relocate but which are substantially lacking or deficient in Wyoming, and identify potential solutions to address those deficiencies to create working and community life climates attractive to a modern day workforce.

## REPORT

- Develop a performance evaluation system, monitor progress and report to the Governor the status of programs and activities outlined as goals, objectives or action items in the state's economic diversification strategy.



**ACTIONS**

## STATE AGENCIES

- Review with the Wyoming Business Council, Community College Commission, University of Wyoming, the Department of Workforce Services, and other state agencies...agency enabling legislation, rules and regulations, policies, procedures or other governing mechanisms to determine amendments which would better align agency functions with the economic diversification strategy.

## PRIVATE SECTOR

- Engage the private sector in the same in order to determine amendments without compromising Wyoming's environmental and workplace standards.



**October 5-6 in Casper**

**December 11-12 in TBD**

**\*All meetings streamed live on Facebook  
@ENDOWyo**

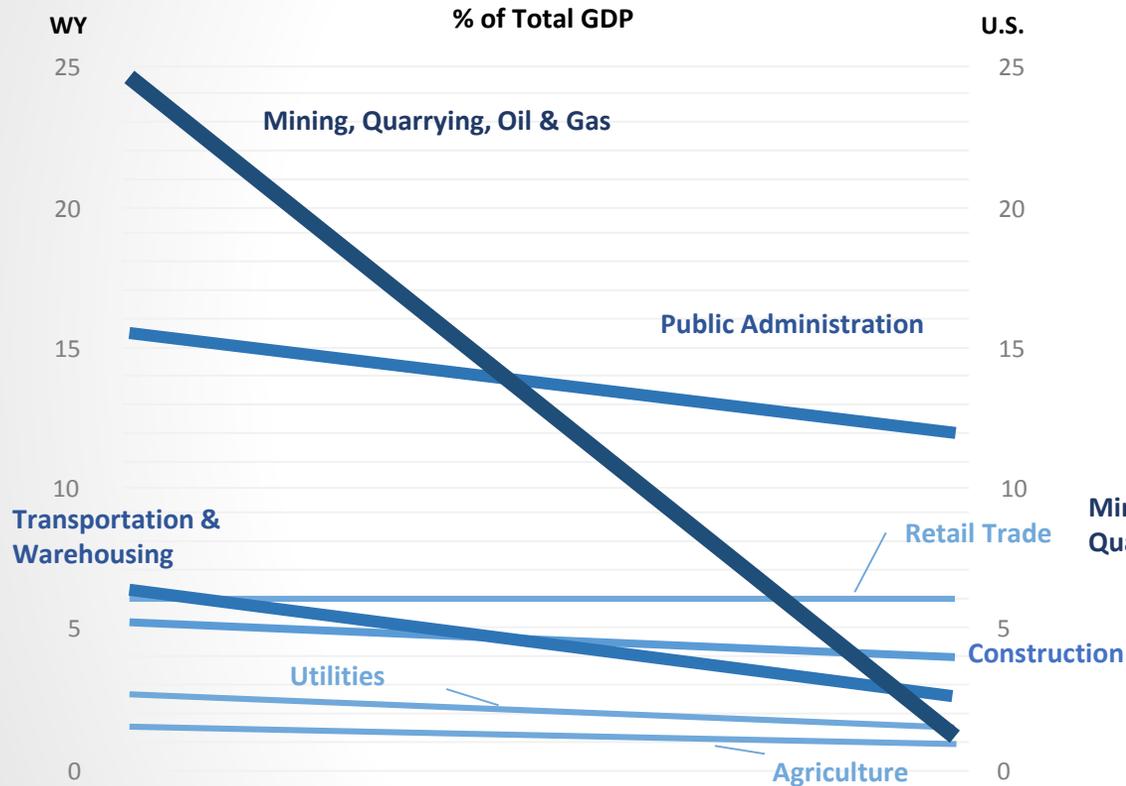


**UPCOMING MEETINGS**

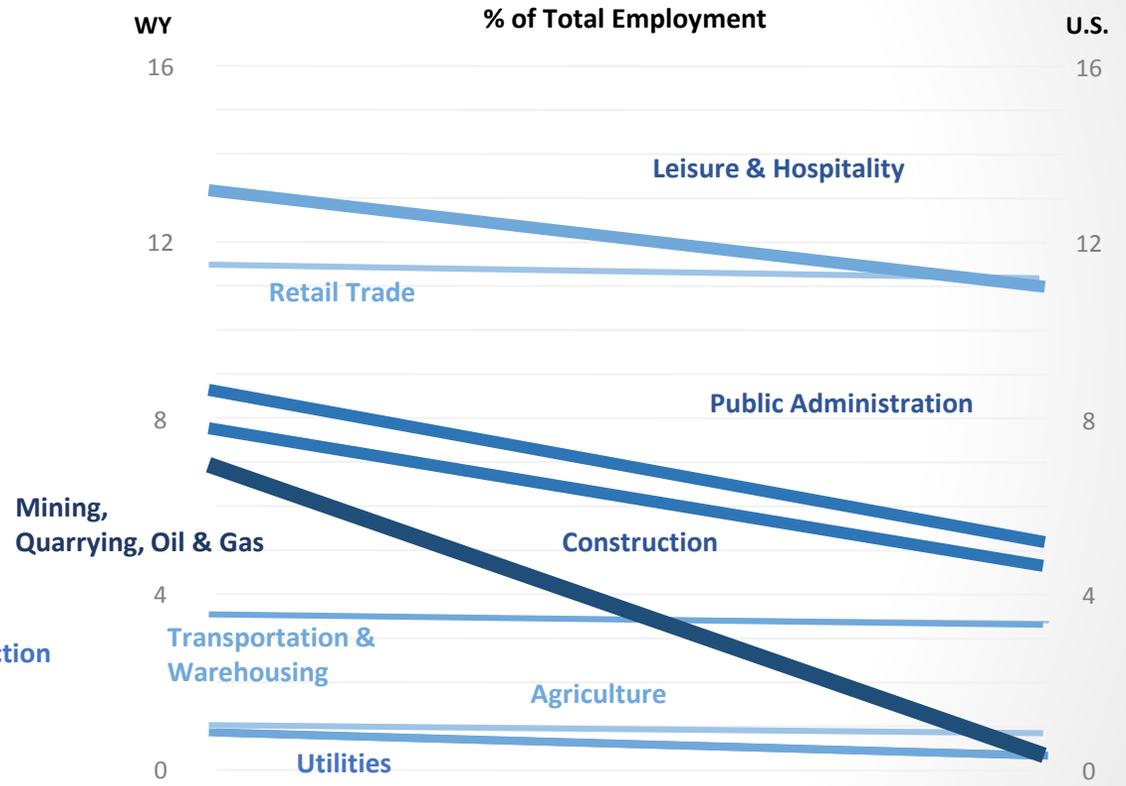
# ENDOW Socioeconomic Assessment of Wyoming



# Overrepresented Sectors



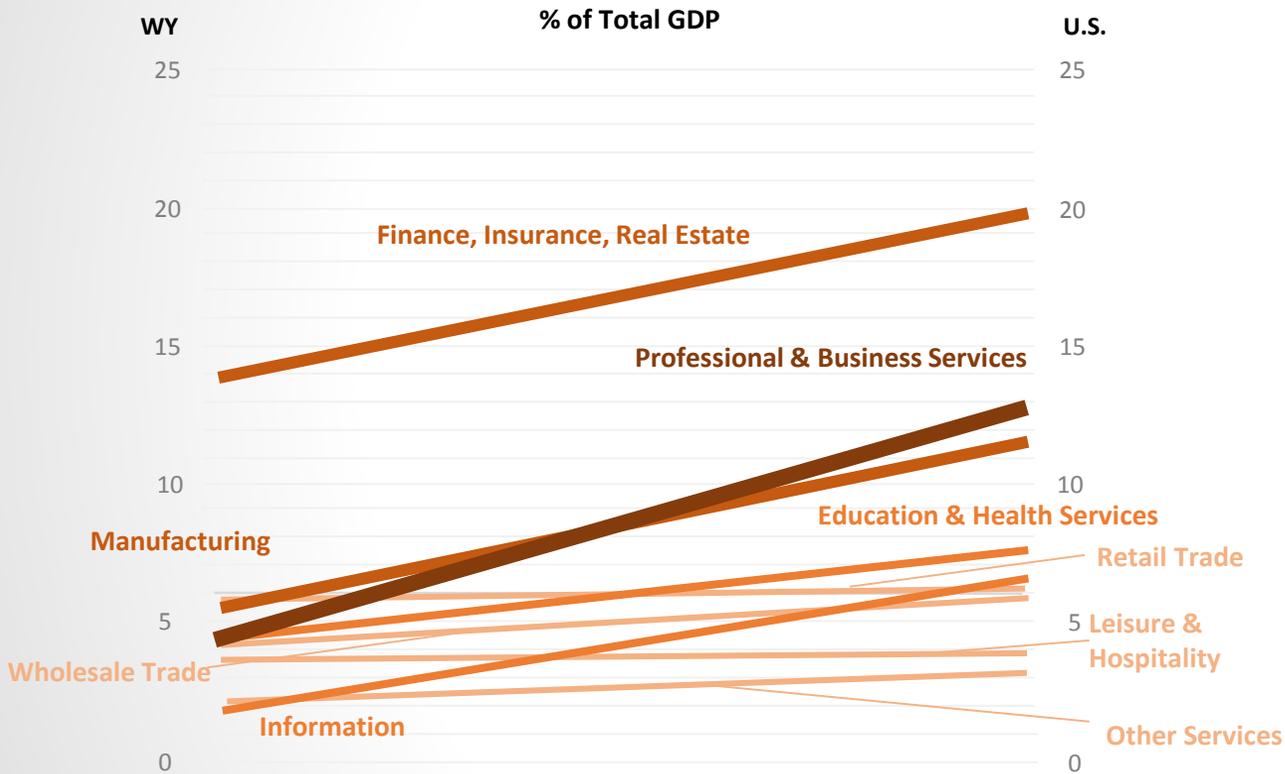
Data are from 2016  
Source: US Bureau of Economic Analysis



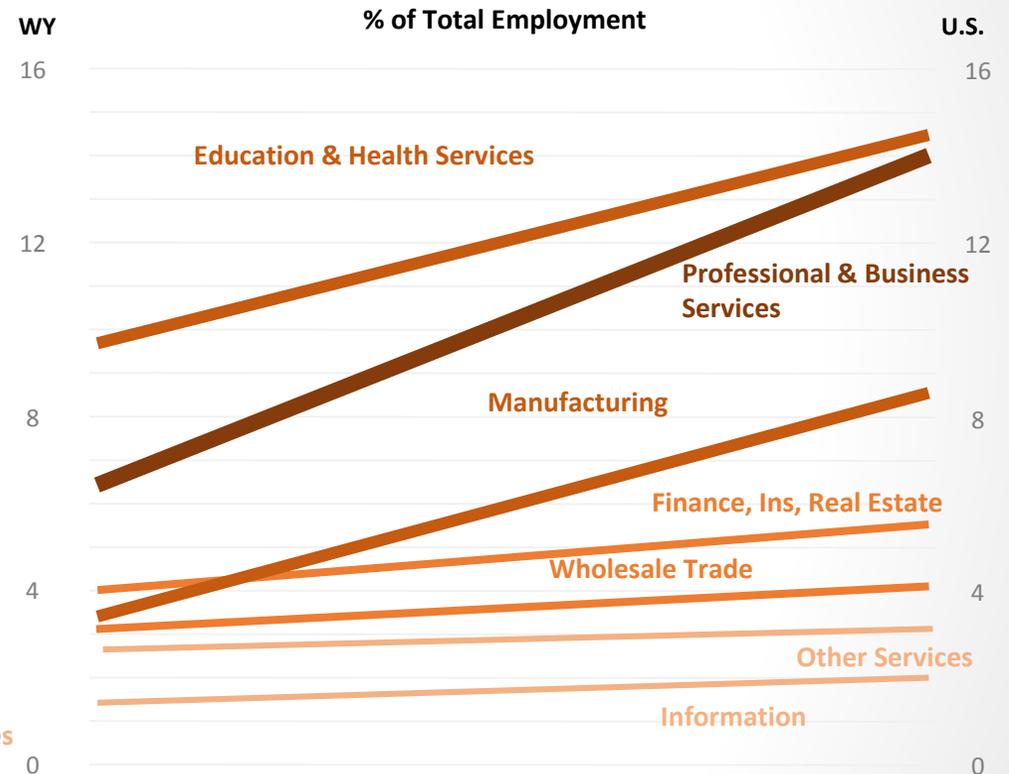
Data are from 2016  
Source: US Bureau of Labor Statistics



# Underrepresented Sectors



Data are from 2016  
Source: US Bureau of Economic Analysis



Data are from 2016  
Source: US Bureau of Labor Statistics



**We need to do more to celebrate our success.**

**Past economic development has not focused enough on innovation and entrepreneurship.**

**We need to better understand the role of each sector in Wyoming's economy.**

**Wyoming's communities need more development to foster long-term growth.**

**Workforce is the single greatest inhibitor – and opportunity – for growth and stability.**



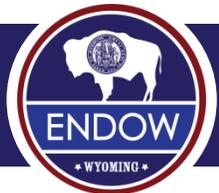
**CONCLUSIONS TO DATE**

**Educational readiness and educational achievement need improvement.**

**Commercial air service is a significant limiting factor in expanding and diversifying Wyoming's economy.**

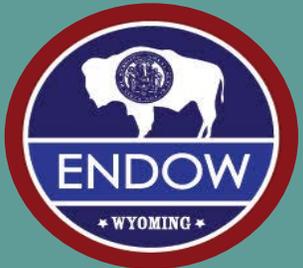
**We can do more to improve internet accessibility.**

**We can better align economic development efforts to produce greater impact and focus.**



**CONCLUSIONSTO DATE**

# Business Development and Innovation Zones



# Business Development & Innovation Zones

As Defined by Senate enrolled Act No. 64

“[D]efined **geographic areas** within the state in which local, state and federal permitting and other regulatory **requirements will be met** for all or significant segments of industry located in the zone or in which **industries or businesses would be benefitted substantially as a result of being located in proximity to each other[.]**” W.S. 9-12-1401(f)(i)



## BDIZs

- Encourage private investment in Wyoming through reduced regulatory risk, innovative incentives, and infrastructure investments
- Create unique environments where education, workforce training, research, innovation and private sector businesses come together
- Enable strategic planning for the future

# Businesses & Industries

in Business Development & Innovation Zones

The ENDOW legislation requires that the following industries/sectors/clusters are considered:

- agriculture and agricultural business
- renewable energy sources
- advanced clean coal technologies
- nuclear fuel processing and enrichment
- hybrid energy sources
- enhanced oil recovery
- inland distribution ports
- international trade
- food and beverage industry
- international trust and fiduciary business and related sectors
- emerging research and technological development
- value added manufacturing involving Wyoming resources
- existing, new and emerging economic sectors and subsectors

# ASSET MAPPING

to identify Business Development and Innovation Zones



# Simplified Example

## Large-Scale Manufacturing

### Large-Scale Manufacturing Requires:

#### 1. Transportation

A. Rail

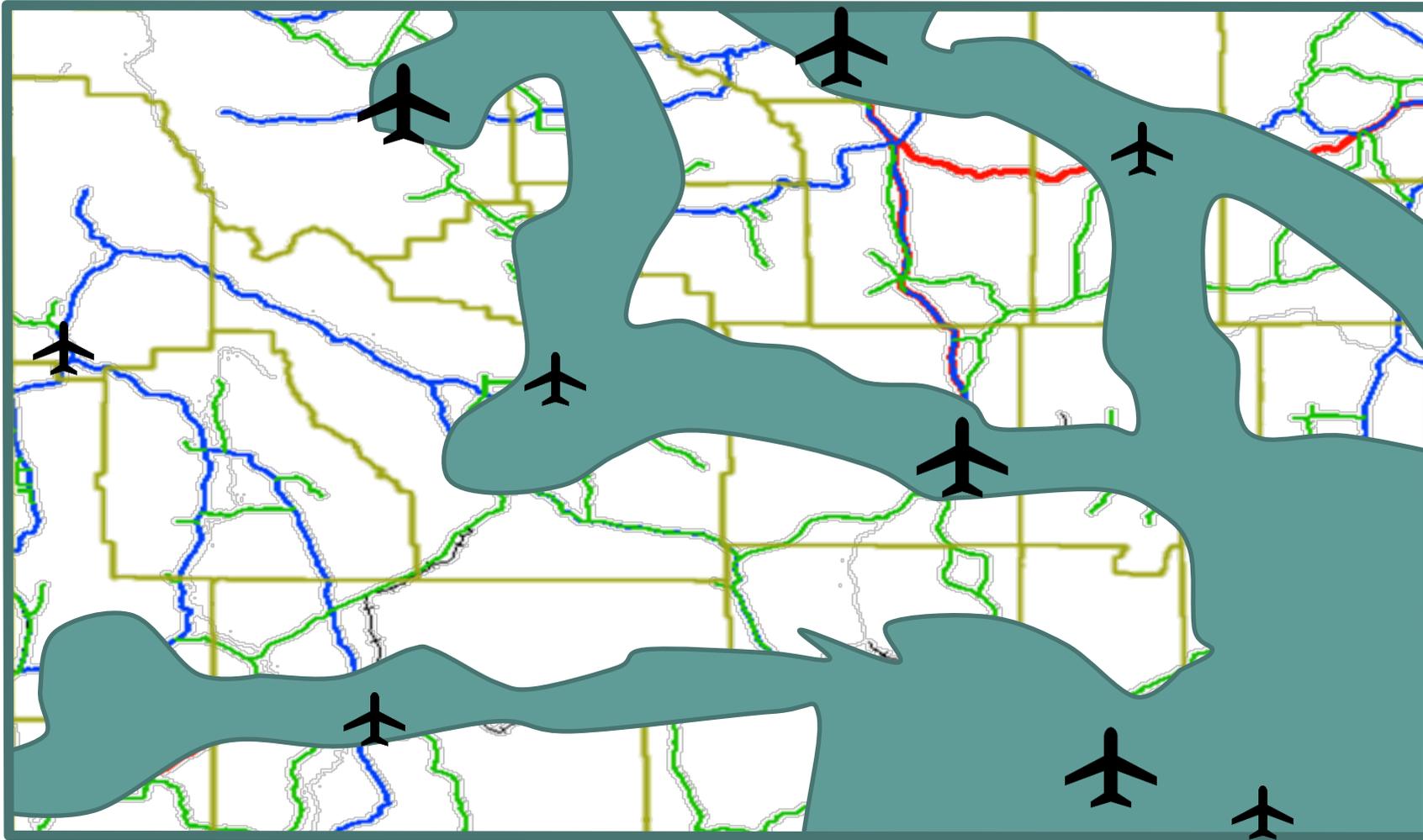
B. Highways

#### 2. Labor Force

Other assets, **e.g. feedstock, electricity & reasonable wages**, are excluded here for simplification in illustration.

## Large-Scale Manufacturing

# Transportation



Interstate

US Highways

WY Highways

Railroads

Airports

 70-150 flights/day

 40-70 flights/day

 Near Railroad and Highway

Large-Scale Manufacturing

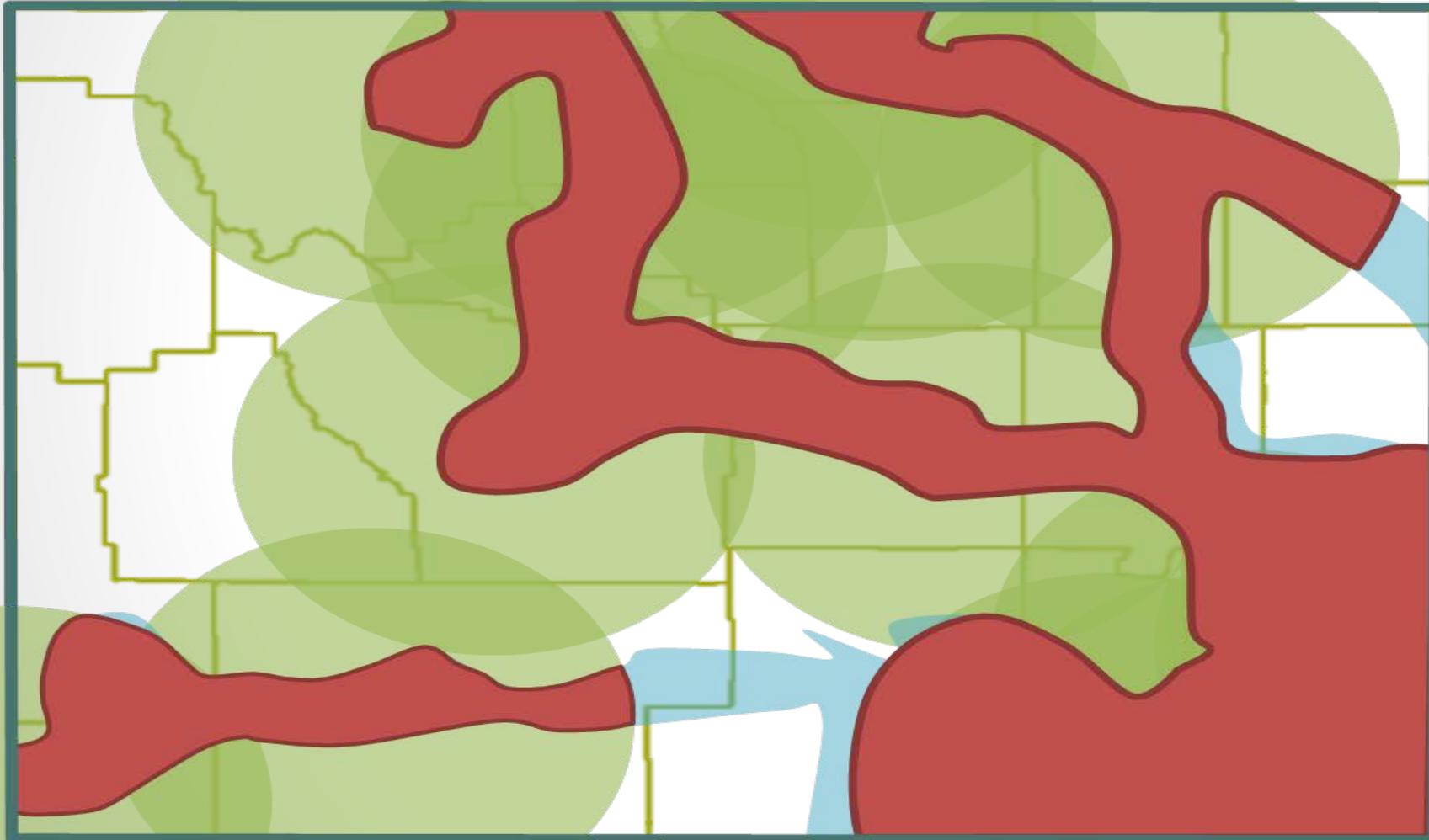
# Workforce



● County MFG  
Employment > 300  
*60-mile radius centered on  
county population centers*

Large-Scale Manufacturing

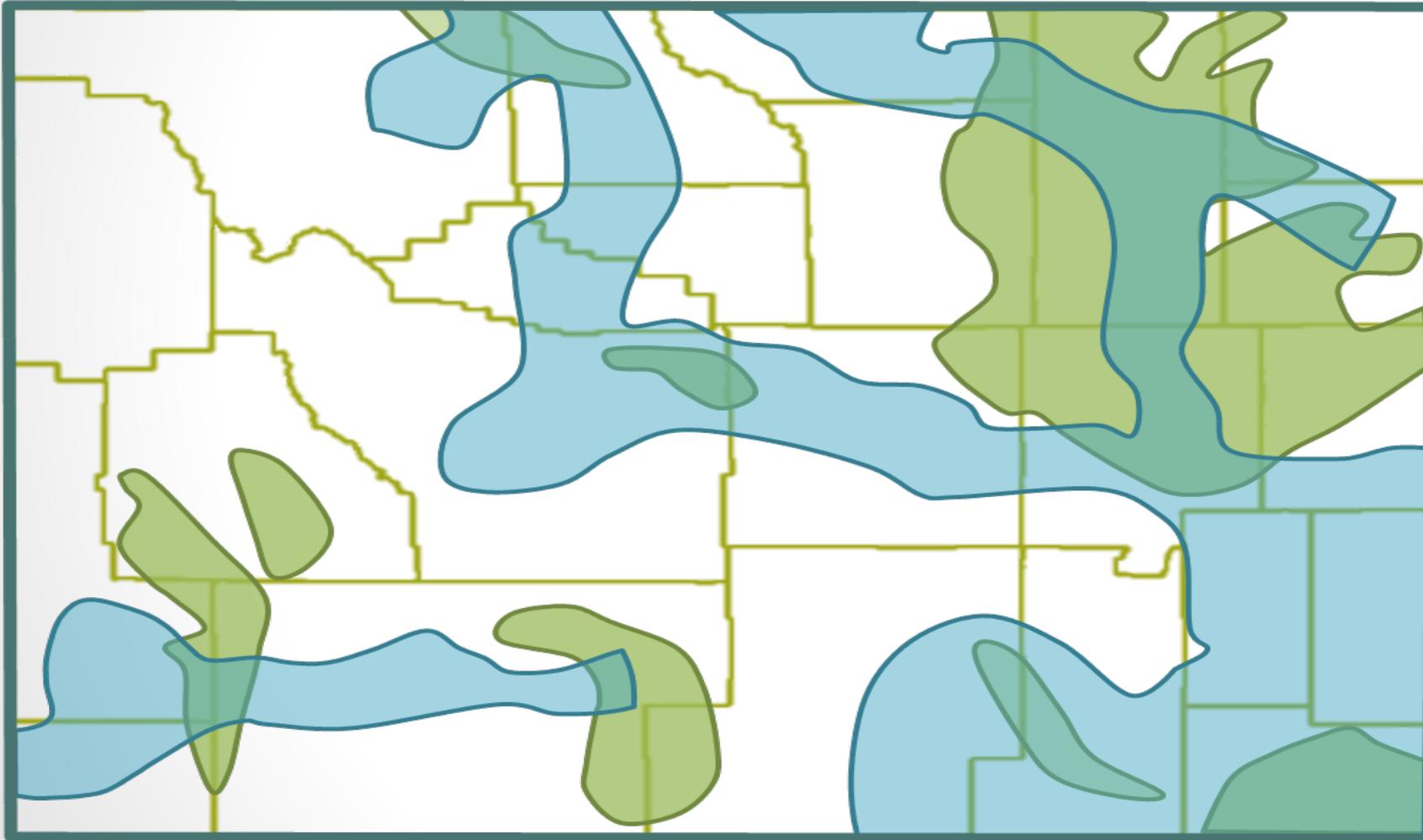
# Industrial Assets



-  MFG Labor > 300
-  Near RR and Highway
-  Near RR, Highway, and Labor Force

CO2 Capture Use and Storage & Large-Scale Manufacturing

# Industrial Assets



-  All CCUS Assets Present
-  All Large-Scale MFG Assets Present

# Regional Assessment Response

94 municipalities

- Plus 10 census designated places and three unincorporated communities

17 collaborative responses

- One multi-county response

Key information collected using the Regional Assessment has been incorporated into socioeconomic reports, which are out for revision with industry experts, and will be discussed on August 10<sup>th</sup> and 11<sup>th</sup>.

# ANALOGUES

# Types of Economic Development Zones

## Technology Transfer

- Leverages private industry, educational institutions, economic development organizations, and government to develop technologies born in academia into businesses that contribute to the economy.
- **Examples:** [Pennsylvania Keystone Innovation Zones](#), [Michigan SmartZones](#), [Washington Innovation Partnership Zones](#)

## Enhancement and Redevelopment

- Most but not all focus on rebuilding areas with certain barriers such as high unemployment or poverty. Some simply focus on enhancing an area.
- **Example:** [Utah Enterprise Zones](#) are eligible for cities with less than 20,000 people in counties with less than 70,000 people. [Texas Municipal Management Districts](#) are self-funding, grassroots establishments that make improvements in an area.

## Specific Purpose

- Solves a problem or creates an opportunity within a specific sector/cluster.
- **Examples:** [AB's Heartland](#) was created to diversify vertically within Alberta's fossil fuel industry. [Houston's Energy Corridor](#) was used to attract upstream energy companies, then leveraged growth in population and educated workforce to expand to medical campuses and other industries.

# Ingredients for Success

Partnerships and collaboration among varied entities - community buy-in.

Experienced champions at all levels.

A developed plan with milestones and standard reporting requirements.

Continuous stakeholder involvement.

Clear, upfront parameters and expectations.

# Keystone Innovation Zones

## Tech Transfer | Pennsylvania

- About
  - Designed to support entrepreneurship and technology transfer from universities. The program established zones near universities, and provides grants and tax credits for companies in those zones for the purpose of encouraging research and development.
- Genesis - Why was the program created?
  - To mitigate out-migration of young people and increase employment growth, patent awards, and tech transfer.
- How is the program funded?
  - State funds, administered through Ben Franklin Technology Development Authority.
- Benefits of being in a zone
  - Grants and tax credits.
- Who can apply?
  - Non-profit organizations with a strong partnership with (including but not limited to) higher education, economic/workforce development organizations, venture capitalists, foundations, angel investors, or local government.
- Requirements
  - Must be located near an institution of higher education.
  - Must address the sustainability of the regional KIZ as the commonwealth's funding decreases.
  - Focus on region's competitive target industries.
- Example Zones
  - Navy Yard in Philadelphia, centered around Penn State University.

# SmartZones

## Tech Transfer | Michigan

- About
  - Designed to foster partnerships among local governments, economic development partners, key providers of intellectual property and research and development (typically a university or research institute), with a focus on new business formation, technology transfer, and either a park or downtown development.
- Genesis - Why was the program created?
  - To leverage its universities to help diversify Michigan's economy.
- How is the program funded?
  - Tax increment funding from property taxes.
  - \$20M from state General Fund and \$4.5M in grants from the Michigan Economic Development Commission.
  - The growth of all property taxes collected in a zone can be collected by the administrator of the zone to provide public infrastructure, which includes business incubators, publicly owned lab facilities, research and development facilities, marketing, and administration of the SmartZone, etc.
- Benefits of being in a zone
  - Subsidized business and research and development infrastructure, proximity to universities, access to incubators and services including technology commercial assessments, entrepreneurial training, venture capital preparation and introductions, market analysis, grant writing, product development, marketing, management recruitment...
- Who can apply?
  - Municipalities
- Requirements
  - Defined vision and industry focus that leverages local resources, including a fully developed business plan, which has well-defined plans to attract major anchor tenants.
  - Support for new and small business in high-tech fields.
  - Clear community support.
  - Defined site for near-term development/redevelopment.

# Enterprise Zones

## Redevelopment| Utah

- About
  - Certain types of businesses locating to zones in economically distressed areas may claim income tax credits.
- Genesis - Why was the program created?
  - To encourage economic growth and development in specified areas.
- How is the program funded?
  - Income tax credits - opportunity cost only.
  - Administered by Utah State Tax Commission
- Benefits of being in a zone
  - Job creation and other tax credits.
- Who can apply?
  - Municipalities with pop < 20,000 in counties with pop < 70,000.
- Requirements

Applications approved on the basis of economic development need based on distress factors, which may include:

  - Pervasiveness of poverty, unemployment, and general distress in the proposed zone.
  - Extent of chronic abandonment, deterioration, or reduction in value of commercial property in the proposed zone.
  - Potential for new investment and economic development in the proposed zone.

# Municipality Management Districts

## Enhancement | Texas

- About
  - Established as a means to allow commercial property owners to work together to supplement city and county services and improvements. Property owners identify common problems and issues in their area and use their management district to implement solutions to those problems.
  - Used in three main contexts:
    1. To support existing major activity centers.
    2. To promote neighborhood revitalization.
    3. To support raw land development.
- Genesis - Why was the program created?
  - To serve established major activity centers.
- How is the program funded?
  - Taxes assessed by the district, most commonly a small property tax on commercial property in the area. Commercial landowners must submit a petition for the establishment of this tax.
- Benefits of being in a zone
  - Improvements that would not be made with traditional financing.
  - Many zones provide incentives for relocation, etc. for business development in the zone.
- Who can apply?
  - Groups of landowners and stakeholders.
- Requirements
  - Petition must be signed by owners of taxable real property that constitutes either > 50% of the assessment or 50% of the area within the district.
- Example Zones
  - Houston's Energy Corridor -attracted energy companies, then leveraged growth of population and educated workforce to expand to medical campuses and other industries.

# Industrial Heartland

## Specific Purpose | Alberta

- About
  - Joint land use planning and development initiative between five municipalities in the Edmonton Capital Region to attract investment in the chemical, petrochemical, oil, and gas industries to the region.
  - 225 sq. miles
- Genesis - Why was the program created?
  - To encourage sustainable industrial development and expand the supply chain downstream within Alberta.
- How is the program funded?
  - Partnerships amongst local governments, the province, and federal government.
- Benefits of being in a zone
  - Royalty rebates, proximity to resource.
- Who can apply?
  - No application - organic growth since 1950s, municipalities formed an association in 1998, which was not administered by the province.