

## Chapter 2 - Technical Report – Where are we today?

### The Region's Background

Found in the heart of the nation's Inland Northwest, the Clearwater Economic Development District of North Central Idaho encompasses the counties of Clearwater, Idaho, Lewis, Latah, and Nez Perce. Approximately 108,520 people live in the 29 incorporated communities and in the unincorporated areas of the District's 13,500 square miles. Located at the confluence of the Snake and Clearwater rivers, the city of Lewiston, population 32,820, is the region's largest community and retail hub. Home to the University of Idaho, the City of Moscow is the second largest regional population center with 25,146 inhabitants. All other communities' populations range between 100 and 3,200 residents.



Figure 1: Gospel Hump Wilderness Area, Idaho County - Photo by Stephenie O'Callaghan

The region is rich in history and natural resources. The Nimi'ipuu people, now known as the Nez Perce, hunted and gathered in the region for 10,000 years. In 1805, the Lewis and Clark Corps of Discovery traveled by horse and foot through the Bitterroot Mountains and then continued their westward movement to the Pacific Ocean by canoe on the Clearwater River. A year later, they traveled back through the area. Fur trappers soon arrived in the area, followed by missionaries. In the 1860s, gold was discovered by Captain E.D. Pierce near the present-day town of Pierce and communities began to emerge along stagecoach routes. By the late 1800s, timber and agriculture emerged as the primary economies. These industries remain critical to today's economy.









## Clearwater County

As the Gold Rush Historic Scenic Byway passes through Clearwater County, travelers go where Lewis and Clark’s Corps of Discovery first encountered the Nez Perce Tribe and where gold was first discovered in Idaho. Today’s visitors thrill to the scenery and the fishing, hunting, camping and other outdoor opportunities forests and rivers provide. Dworshak Reservoir is a boater’s paradise.

Despite all that it offers, Clearwater County has a small tourism sector; about 7 percent of the county's payroll jobs are in the leisure and hospitality sector, while 11 percent of U.S. payroll jobs are in that sector. Leisure and hospitality - which includes amusement, recreation, lodging, restaurants, and bars - employs about 200 people in the county.

Deep river valleys and the rolling Weippe Prairie, where farmers grow wheat and other crops, also shape the county’s economy. Clearwater County’s agricultural sector is relatively small. Its 312 farms and ranches cover about 56,600 acres and primarily produce wheat, forage crops, and cattle. Other crops include barley, canola, and legumes. In 2017, according to the U.S. Department of Agriculture five-year economic survey, the county’s agricultural products were valued at \$7.3 million.

A long-term decline in logging and lumber mill employment intensified in 2000 when Potlatch, Inc. closed its Jaype mill in Pierce which employed 215 people. The collapse of the housing market in 2006 and decline in U.S. housing starts that started in 2007 resulted in further job losses. Employment in logging and wood products fell from 735 in 1992 to 365 in 2001, where it remained until the housing market collapse depressed it to just 190 in 2009. In 2016, Tri-Pro Cedar closed its mill near Orofino that employed 55 people. Currently, about 160 people work in logging and mills in the county.

Only in the past 20 years have manufacturers outside the lumber and wood products sector began to play significant roles. Some manufacturers have moved into the county, attracted by its low-cost, business-friendly environment. In 1993, the county had only 33 non-wood manufacturing jobs and today, it has about 250. ASE Sign Company was the first tenant in the Orofino business park when it opened in 2004. Nightforce Optics, a manufacturer of high-quality riflescopes that opened

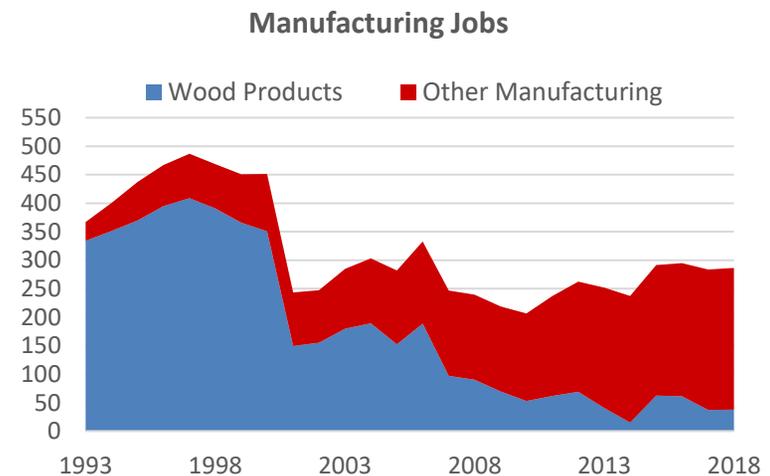


Table 1: Clearwater County Manufacturing Jobs

near Orofino about the same time, has grown to 100 jobs and is expected to continue growing over the next few years. SJX Boats, a jet boat manufacturer, moved to the Orofino business center in 2008 and the City is currently expanding the building to increase production and employment.

After the forest products sector suffered severe job losses during the recessions of the 1980s, the county's population fell sharply from 10,266 in 1978 to 8,753 just 10 years later. Population declined to 8,485 in 1990. In the 1990s, many retirees moved into the county, and population rose to 9,049 in 1998. After the Jaype mill closed in 2000, population fell to 8,596 by 2003. The population exodus slowed down and more retirees moved in. By 2008, the population rose to 8,764. The severe recession caused more people to move out than in for several years. In the last few years, the population has returned to its 2008 level. The net result is that the county's population fell 15 percent over the 40-year period, while the state of Idaho's population grew 93 percent and the U.S. population grew 47 percent. Clearwater County's long population slide put downward pressure on retail spending, local government budgets, and construction activity.

With the loss of many young families over the year, the county's population is older than average. Its aging population has made the health care sector its fastest-growing sector. Health care grew 53 percent from 367 jobs in 1998 to 563 in 2018. Clearwater Valley Hospital & Clinics in Orofino employs about 200 people and the state psychiatric hospital in Orofino employs 120, while 17 other health care providers employ about 240 people.





## Idaho County

Idaho County measures 8,485 square miles, it is the state’s largest county and one of the largest counties in the continental United States. More than four-fifths of the county is covered by national forests, making the Forest Service a major employer.

Increasingly known for its spectacular scenery, whitewater rafting, fishing, hunting, hiking and camping, the county attracts growing numbers of visitors. The Salmon River attracts rafters, kayakers, and anglers in the summer. Campers and hikers enjoy three wilderness areas – Gospel Hump, Selway-Bitterroot, and Frank Church River of No Return. Hunters find plenty of game in the county’s forests. Snowmobilers and off-road vehicle enthusiasts have access to the thousands of miles of trail. Red River Hot Springs and Lodge in the Nez Perce-Clearwater National Forest has entertained visitors since 1909. The Riggins area has a growing reputation for its fishing and rafting opportunities. In 2000, the Salmon Rapids Lodge opened, providing Riggins with a centerpiece for its tourist sector. Whitewater recreation abounds on the Lochsa and Selway Rivers. St. Gertrude’s Monastery, a home to Benedictine nuns near Cottonwood, draws hundreds of visitors to its retreat center and bed and breakfast. Cottonwood’s most famous tourist site is Dog Bark Park which sells wood carvings and features a bed and breakfast in the shape of a wooden dog. Both Cottonwood and Grangeville have small ski areas nearby. The county’s largest lodging facility is the Super 8 Motel in Grangeville. The leisure and hospitality - a sector that includes amusement, recreation, lodging, restaurants, and bars - employs up to 480 people at the peak of summer season. Employment drops to 290 in the winter. About 9 percent of the county's nonfarm payroll jobs are in the leisure and hospitality sector, while 11 percent of U.S. nonfarm payroll jobs are.

Farming and ranching play an important role, especially on the Camas Prairie. The county’s 708 farms and ranches cover about 537,400 acres and primarily produce wheat, forage crops, barley, canola, and grass seed. Other crops include garbanzos, barley, and lentils. In 2012, according to the U.S. Department of Agriculture economic survey conducted every five years, the county’s farms were home to about 26,200 cattle and calves. Some farms also raise bees, horses, pigs, and sheep. In 2017, the county’s agricultural products were valued at \$43.7 million.

The abundant forests traditionally provided hundreds of logging and wood products jobs. Technology and changes in forest management have reduced those jobs over the years while the national housing crisis that began in 2007 caused further erosion. Jobs in logging and wood products fell from 476 in 2000 to 389 in 2007 and then to just 188 in 2009. Today, about 280 people work in the industry. Idaho Forest Group, with more than 160 employees at its mill in Grangeville, is the county’s largest manufacturer.

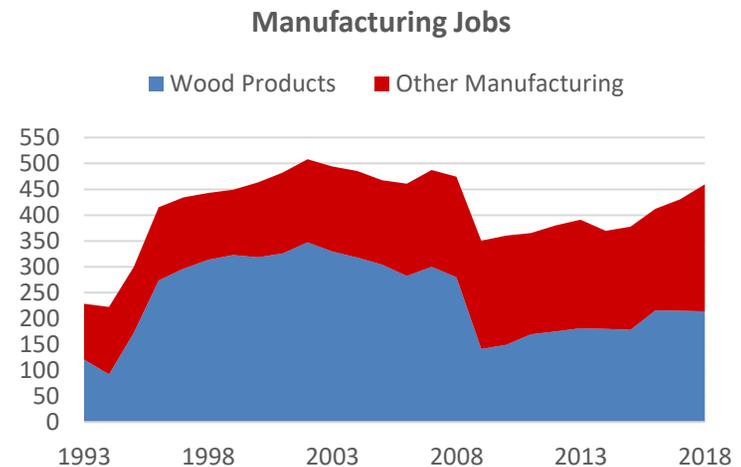


Table 2: Idaho County Manufacturing Jobs

Non-wood manufacturing employment increased from 108 in 1993 to about 250 today. Manufacturers include Pacific Cabinets, which employs 50 people making cabinets in Ferdinand; Anderson Aeromotive, whose 35 employees refurbish airplane engines at the county airport in Grangeville; Idaho Sewing for Sports near Grangeville, which employs more than 20 people making custom padding for sports venues; and six machine shops and metal fabricators on the Camas Prairie. Advanced Welding & Steel, a Grangeville company that makes iron skeletons for buildings including beams, columns to stairs, and handrails, is classified in the construction industry, so its 80 employees aren't counted in manufacturing.

The federal and state government sectors provide 10 percent of the jobs in the county, while they provide 5 percent of U.S. nonfarm payroll jobs. The U.S. Forest Service is the county's largest employer, employing more than 360 people in August and an average of 240 throughout the year. Twenty years ago, its employment averaged 460. The Bureau of Land Management employs nearly 40 people, and the state's minimum-security prison on Cottonwood Butte employs more than 60. Other relatively large employers include the Postal Service, Idaho Transportation Department, Idaho Department of Health and Welfare, and Idaho Department of Fish and Game. The decline in Forest Service employment explains the decrease in federal jobs over the last 20 years.

Idaho County Federal and State Government				
	Employers		Jobs	
	1993	2018	1993	2018
Federal	26	18	580	316
State	10	8	133	132

Table 3: Idaho County Government Jobs

Idaho County's population grew 7 percent from 15,418 in 1998 to 16,513 in 2018, while the state's population grew 40 percent and the nation's population grew 19 percent. The relatively slow population growth dampened employment in construction, service, local government, and retail.

The county's aging population has made the health care sector a fast-growing sector. Health care more than doubled from 288 jobs in 1993 to 654 in 2018. Syringa Hospital and Clinics in Grangeville and St. Mary's Hospital and Clinics in Cottonwood employ 360 people, while 31 other health care providers employ 300 people.





## Latah County

More than one in four Latah County nonfarm payroll jobs are at the University of Idaho, which employs 4,700 people in Moscow. Eight miles away in Pullman, Washington, Schweitzer Engineering Laboratories and Washington State University employ more than 1,800 Latah County residents.

Moscow is the major retail center for Latah County area so growth at Washington State and Schweitzer directly and indirectly creates jobs for Idaho residents. Enrollments at the universities soared after the recession began. As the economy recovered, enrollment fell at the University of Idaho but continued to grow at WSU. Expansion at Schweitzer also boosted consumer spending.

Agriculture and timber products in the forests around Potlatch, Elk River, and Kendrick have been the county’s other economic mainstays. Technological and other changes have reduced agriculture and forest products jobs over the last three decades.

The Palouse is renowned for its rich farmland that makes agriculture a major driver of Latah County’s economy. Its 1,041 farms cover 349,500 acres and primarily produce wheat, forage crops, lentils, barley, peas, garbanzos, and canola. In 2017, according to the U.S. Department of Agriculture five-year economic survey, the county’s farms were homes to about 5,500 cattle and calves, 1,200 sheep and lambs, and 1,200 horses. In 2017, the county’s agricultural products were valued at \$78 million.

### Manufacturing Jobs



Table 4: Latah County Manufacturing Jobs

Nearly three-fifths of Latah County is forest land, so logging and mills have played a role in the economy for more than a century. Over time, other manufacturing operations also evolved. The largest wood products company is Bennett Lumber mill at Princeton, which employs more than 150 people. Among the larger manufacturers are three Moscow businesses - Fabtec Inc., which makes conveyors and other machinery; Comtech AHA Corp., which designs and makes electronic devices; and Biketronics, which makes electronic devices, including sound systems for Harley Davidson motorcycles. Latah County also is home to three printers and publishers, four machine shops, two wineries, and 10 other manufacturers.

Technology transfer from the university, creating companies based on research, has created about 380 professional service and manufacturing jobs in Latah County in the last 25 years and is expected to create many more in the future. The largest, Emsi, employs about 200, and plans to build headquarters with space for up to 500 in Moscow, ID.

Latah County offers opportunities for hiking, biking, snowmobiling, hunting, and fishing. The University of Idaho holds conferences, football and other sports events, parents’ weekend, theater performances, concerts, and the annual Lionel Hampton Jazz Festival in February, bringing thousands of visitors to the area. Visitors to Moscow enjoy the Appaloosa Museum and Heritage Center, which features the Appaloosa horse and the Nez Perce Tribe, and the McConnell Mansion Museum in a house built by a wealthy merchant and former Idaho governor in the 1890s. A growing trail system is bringing more visitors to Troy, Kendrick, and Juliaetta. The county’s largest motel, the Best Western University Inn in Moscow, employs 200 people. Leisure and hospitality - a sector that includes amusement, recreation, lodging, food service companies, restaurants, and bars - employs about 1,900 people. The highest employment of the year is in the fall, when many people come to visit students at the university, attend conferences, and see football games. About 13 percent of the county's total nonfarm payroll jobs are in the leisure and hospitality sector, while 11 percent of U.S. jobs are. The university, Moscow Chamber of Commerce, and local innkeepers are working together to bring more conferences to the area.

Although Latah County is somewhat insulated from economic downturns because of the University of Idaho and agriculture, it felt the economic chill after 2007. Construction fell sharply, logging and wood products lost 260 jobs (about one in four of jobs) between 2007 and 2012. Wood products and logging have restored all the jobs they lost, but in 2018 construction remained about 90 jobs below its peak levels of 640 in 2006.

The federal and state government sectors provide 33 percent of Latah County's nonfarm payroll jobs, while they provide 5 percent of U.S. nonfarm payroll jobs. The county’s largest employer, by far, is the University of Idaho. The U.S. Forest Service’s employment fell from 148 in 1993 to 72 in 2018.

Latah County has grown faster than the rest of North Central Idaho, but still more slowly than the U.S. and Idaho. Its population grew 15 percent from 34,811 in 1998 to 40,134 in 2018, while the nation’s population grew 19 percent and the state’s population grew 40 percent. Despite population growth, Latah County’s retail sector has stagnated in the last two decades. The increased competition from stores in Whitman County and the growing popularity of online shopping have reduced shopping in Latah County. Retail employment, which had 1,954 job in 1998, peaked at 2,128 in 2003. Today, it’s hovering around 1,780—about 9 percent lower than 20 years earlier.

Federal and State Government				
	Employers		Jobs	
	1993	2018	1993	2018
<b>Federal</b>	30	21	294	161
<b>State</b>	19	14	5,067	4,809

Table 5: Latah County Government Jobs

The county’s growing population has made the health care sector a relatively fast-growing sector. Health care jobs grew 38 percent from 1,123 in 1998 to 1,547 in 2018. Gritman Medical Center in Moscow employs more than 500 people, while 56 other health care providers employ about 500 people. Among the largest health care providers are the Good Samaritan Society’s nursing home and assisted living, the Moscow Care Center nursing home, and Moscow Family Medicine, a doctors’ clinic.





## Lewis County

Lewis County is largely farmland on prairies above river valleys. Agriculture - especially wheat, peas, barley, lentils, forage crops and cattle - is the major industry. The county's 197 farms cover 200,435 acres and primarily produce wheat, barley, grass seed, forage crops, oats, lentils, peas, and canola. In 2017, according to the U.S. Department of Agriculture five-year economic survey, the county's farms were home to about 4,600 cattle and calves. In 2017, the county's agricultural products were valued at \$37.8 million.



Table 6: Lewis County Manufacturing Jobs

Manufacturing jobs nearly tripled from 80 in 1998 to 223 in 2018. More than 40 of the new manufacturing jobs came from Hillco Technologies in Nezperce, which makes leveling systems for combines. Almost one-fifth of Lewis County is forest land, and logging and mills have played a major role in its economy since the 1890s. The wood products industry also added jobs despite the recession and long-term pressures that have reduced wood product employment in most places. Kamiah was hurt by the 2008 closure of Three River Mill just across the county line in Idaho County, impacting 108 Kamiah workers. The August 2010 opening of Blue North Forest Products mill at the same site restored more than half those jobs. The Three Rivers Mill jobs were reported in Idaho County, but the Blue North jobs were reported in Lewis County. Blue North closed in May 2016, idling its 66 employees. Kamiah Mills, a sawmill employing more than 100 people, is the largest manufacturer in Lewis County. Following the Blue North closure, manufacturing jobs in the county fell to 223 in 2018.

Beautiful scenery and outdoor recreational opportunities draw visitors to Lewis County. Winchester Lake State Park offers 211 acres of campsites, yurt and canoe rentals, and nature trails around a beautiful lake. The Nez Perce Tribe operates a small casino in Kamiah that employs nearly 60 people. The Flying B Ranch, a hunting lodge on a 5,000-acre ranch near Kamiah, attracts hunters from across the nation. The Flying B also holds exclusive outfitter rights to a vast tract of special permit areas in the Nez Perce-Clearwater National Forest. The ranch employs more than 50 people at its fall peak. The tourism cluster employs about 250 people today, up from 170 in 1998. Tourism plays a slightly smaller role in Lewis County than in the U.S. - about 9 percent of the county's nonfarm payroll jobs are in the leisure and hospitality sector, while 11 percent of U.S. payroll jobs are.

The federal and state government sectors provide 7 percent of Lewis County's nonfarm payroll jobs, while they provide 5 percent of U.S. jobs. Winchester State Park, Idaho Department of Lands, and Idaho Fish and Game have added jobs. Federal employment also rose after the U.S. Forest Service opened the headquarters for the consolidated Nez Perce-Clearwater National Forest in Kamiah in 2014.

After the damage to agriculture and forest products from the two severe recessions in the 1980s, Lewis County's population fell 21 percent from 4,398 in 1978 to 3,846 in 1987. Population edged up in the next 10 years to 3,856; fell to 3,665 by 2005; and, increased to 3,861 in 2018. Lewis County's population stayed roughly the same between 1998 and 2018, while the U.S. population grew 19 percent and Idaho's population grew 40 percent.

As Lewis County's population has aged, health care has become one of the fastest growing sectors. Health care jobs soared from 32 in 1998 to 169 in 2018. The county's largest health care providers include Lakeside Residential Care in Winchester, St. Mary's Hospitals and Clinics in Kamiah and Craigmont, and the Nez Perce Tribe's clinic in Kamiah. Eight other health care providers serve the county.

Federal and State Government				
	Employers		Jobs	
	1993	2018	1993	2018
Federal	14	7	48	62
State	6	5	40	52

Table 7: Lewis County Government Jobs





## Nez Perce County

Although it is 465 miles from the Pacific Ocean, Lewiston is Idaho’s only seaport. The Snake River carries barges loaded with grain, legumes, paper, lumber and other products to the Columbia River and then the Pacific Ocean. Trucks bring products to the port from Idaho, Montana, and Washington. A single grain barge can move 3,000 tons of grain - the equivalent of 134 grain trucks - and uses a quarter to half the amount of fuel as trucks or rail traffic. Problems at the Port of Portland greatly reduced containerized shipping in 2016, but barges still carry grain and other products that don’t need to be containerized.

Nez Perce County’s agricultural sector plays a significant role in the economy. Its 446 farms cover 381,587 acres and primarily produce wheat and barley. Other crops include peas, lentils, garbanzos, rapeseed, canola, mustard, safflower, oats, and buckwheat. In recent years, a few people have started growing grapes for wine. Cattle and horses are the major livestock. In 2017, according to the U.S. Department of Agriculture five-year economic survey, the county’s agricultural products were valued at \$74.3 million.

Nez Perce County is tied to all the counties in North Central Idaho, but even more closely to Asotin County in Washington. Together, the two counties - whose largest cities of Lewiston and Clarkston are connected by bridges across the Snake River - make up the Lewiston metropolitan area. Asotin County is largely a bedroom community for Nez Perce County although some Nez Perce County residents work across the border in Washington State.

Manufacturing plays an important role in the county. From the 1920s until 2016, the Clearwater Paper (formerly Potlatch, Inc) complex in Lewiston has been the largest private employer in the region. Clearwater Paper is known for the variety and high pay of its 1,200-plus jobs. In 2011, it sold its sawmill, which was then Idaho’s largest mill, to Idaho Forest Group. About 250 people worked at the mill before the sale; the same as today. In 1993, 540 people worked in the county’s wood products sector. Today, about 330 do. Lewiston ammunition maker Vista Outdoor (formerly ATK) grew from 400 jobs in 1993 to more than 1,400 jobs by 2016. Howell Machine, which made equipment for ammunition makers for years, began making ammunition in Lewiston in 2012 and its employment exceeded 400 in 2016. Ammunition makers lost more than 500 jobs after the presidential election reduced purchases of ammunition and guns. In 2012, Schweitzer Engineering Laboratories opened a plant in Lewiston. The electrical equipment maker increased employment there to more than 500 in 2018.

Lewiston is a gateway to Hells Canyon, the deepest river gorge in North America. The Snake and Clearwater River provide extensive opportunities for boating,



Table 8: Nez Perce County Mfg Jobs

fishing, hiking, and other recreation. Hunters can find elk, deer, pheasants, turkeys, and chukars. The Nez Perce Tribe operates a casino and hotel that employs about 240 people near Lewiston. Lewiston's warm climate allows visitors to enjoy golfing for much of the year. From March through November six cruise boats carrying 150 to 200 people per trip dock at the ports in Clarkston so their passengers can enjoy the area's recreational opportunities, including jet boats tours of Hells Canyon. Leisure and hospitality - a sector that includes amusement, recreation, lodging, restaurants, and bars - employs about 2,100 people. About 10 percent of the county's total payroll jobs are in leisure and hospitality, while 11 percent of U.S. payroll jobs are.

The Nez Perce Tribe employs more than 900 people at its headquarters, clinic, environmental remediation, and other operations in Lapwai and its casino resort near Lewiston. The tribe offers the greatest diversity of occupations of any employer in the county. It also is one of the District's fastest growing employers and expects to continue to add jobs in a variety of operations.

Lewiston is a regional hub for transportation, retail, health care, entertainment, federal and state government, wholesale, and professional services. The federal and state government sectors provide 7 percent of Nez Perce County's nonfarm payroll jobs, while they provide 5 percent of U.S. jobs. As a regional center, Lewiston is home to many federal and state agencies. The largest state government employer is Lewis-Clark State College that employs about 700 people. As a four-year college that also offers one- and two-year professional-technical training programs and customized training for individual employers' workers, the college plays a major role in developing the long-term skills of the District's labor force. Its enrollment in fall 2018 was 3,684 students. The Idaho Department of Health and Welfare, the Idaho Transportation Department, Idaho Department of Fish and Game, the North Central Idaho Health District, the Idaho State Police, and the U.S. Postal Service are the largest employers outside of the college. Federal employment in Nez Perce County fell after several federal offices closed, while state employment rose mostly because of the growth of Lewis Clark State College.

Despite the area's population growth, retail employment now is lower than 20 years ago. In 1998, Nez Perce County retailers employed 2,908 people. Their employment hovered in that range until the recession. By 2018, they employed 2,468. Growth of Clarkston's retail sector, including the move of Wal-Mart from Lewiston to Clarkston in 2009, reduced some of Lewiston's retail employment, as did the growth of Internet retailers such as Amazon.

Nez Perce County's population has grown steadily, but slowly. Between 1998 and 2018, Nez Perce County's population grew 8 percent from 37,395 to 40,408, while Asotin County's population grew 9 percent from 20,721 to 22,610. In the same period, Idaho's population grew 40 percent and the U.S. population grew 19 percent. Steady population growth allowed gradual expansion of retail spending, construction activity, and local government.

As Nez Perce County's population has grown and aged, health care has grown rapidly. Health care jobs grew 37 percent from 2,577 in 1998 to 3,521 in 2018. Residents in neighboring counties in Idaho and Washington often come to Lewiston for medical care. St. Joseph Regional Medical Center in Lewiston employs nearly 1,000 people. About 840 people work in the county's rehabilitation and residential care facilities.

Doctors’ offices and medical clinics employ more than 900 people in the county. The Nez Perce Tribe runs Nimiipuu Health, a full-service medical clinic in Lapwai that employs about 130 people. Altogether, 161 health care providers operate in the county.

## People

The District’s population growth reflects its slow economic growth since 1980. In the late 1960s and early 1970s, the region’s mainstay industrial cluster - forest products - added hundreds of jobs, and the region's population grew at the same rate as the U.S. population. After the two recessions of the early 1980s cut hundreds of forest product jobs, many people moved out of the District seeking employment elsewhere. In the late 1980s, the recovery in the forest products sector and growth in some other sectors allowed some families to return to the District. Since 1993, the District's population has grown slowly.

**The Region's Population Growth since 1973**

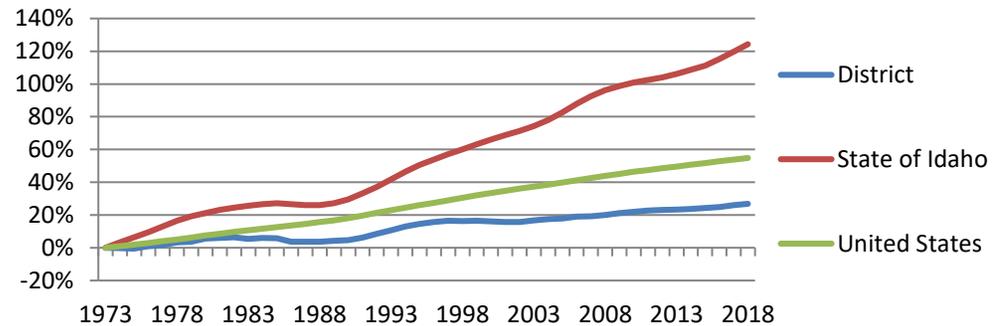


Table 9: Regional Population Growth since 1973

District Population by County					
	2010	2012	2014	2016	2018
<b>Clearwater</b>	8,727	8,578	8,576	8,652	8,758
<b>Idaho</b>	16,309	16,441	16,272	16,230	16,513
<b>Latah</b>	37,254	38,089	38,513	39,038	40,134
<b>Lewis</b>	3,820	3,820	3,813	3,854	3,861
<b>Nez Perce</b>	39,315	39,498	39,835	40,160	40,408
<b>District</b>	105,425	106,426	107,009	107,934	109,674

Table 10: District Population by County

After many young people moved out of the area to look for work, the remaining population was older, and therefore the birth rate fell. Many of the people moving into the District are retired, and therefore are not contributing to the District's birth rate. Also contributing to the decline in the birth rate is the change from the large families once typical of rural areas to smaller family sizes more typical of the U.S. today. The birth rate fell further after 2007, when the recession caused many young adults to postpone marriage and childbirth.

Clearwater County’s long-term economic decline, following the loss of logging and wood product jobs, caused many young people to move away, resulting in an especially high proportion of senior citizens. Lewis County also lost a lot of its population in the 1980s and early 1990s as forest

products lost jobs, but has been growing slowly since. Latah County’s more rapid growth mostly reflects the long-term increase in enrollment at the University of Idaho.

The District’s population continued to grow after the recession began at nearly the same rate as it did in the previous decade. The District’s relatively slow population growth hampers growth in retail, construction, service, and government sectors.

The population of the District is not as racially or ethnically diverse as the U.S. population. Native Americans are the largest racial minority in the District. People who told the Census they were only one race and that was American Indian make up 3.4 percent of the population. The Nez Perce Tribe’s reservation is home to most of the District’s 3,760 residents who are Native Americans.

Hispanics make up almost 4 percent of the population. Because Hispanic origin and race are two separate Census questions, people identify themselves as Hispanic or not Hispanic and as a member of one or more races. Some of the Hispanics are white, while others are Native Americans or black, and many are of more than one race. Typically, when people refer to ethnic or racial minorities, they mean people who are not white or of Hispanic origin.

The District’s population is older than the U.S. population. The higher proportion of older residents limits the District’s labor force growth, prompts the rapid growth of the region’s health care industry, and poses special problems for social service providers.

Even though the Clearwater District's population grew 32 percent, roughly half as fast as the U.S. population, between 1970 and 2018, its population between the ages of 60 and 74 grew 136 percent which is almost as fast as the U.S. population growth of 141 percent in that age group. Of note is the District's population ages 75 and older grew 207 percent, faster than the U.S. growth of 188 percent. While the U.S. population under 15 years of age grew only 5 percent between 1970 and 2018, the CEDA District’s population under 15 declined 23 percent.

Population of District, by Age			
	1970	2018	Change
<b>Total</b>	82,896	109,674	32%
<b>Under 15 years</b>	23,482	17,996	-23%
<b>15 to 29 years</b>	22,036	26,273	19%
<b>30 to 44 years</b>	13,353	17,727	33%
<b>45 to 59 years</b>	12,711	18,871	48%
<b>60 to 74 years</b>	8,346	19,700	136%
<b>75 years &amp; over</b>	2,968	9,107	207%

Table 11: Population of District Age Groups

Nez Perce County’s relatively warm climate, public transportation options, and large community of health care providers attract a lot of retirees, but Lewis-Clark State College in Nez Perce County helps boost the number of

people 15 to 29 years of age in the county. Latah County has an unusually high number of people 15 to 29 years of age, because of the students at the University of Idaho.

The counties with the most stagnant economies generally have the oldest populations. Clearwater, Idaho, and Lewis counties all have more people 65 years and over than people under 18. The U.S. population 65 years and over is about two-third of the size of the population under 18.

The aging of the population in the District is even more dramatic than the aging of the U.S. population, a huge demographic change unprecedented in U.S. history. Because of its high birth rate before the 1970s and because so many young adults moved elsewhere for jobs, the District’s population traditionally was relatively young, but now it is relatively old.

### Education

A high proportion of the District’s adult population has high school diplomas. The 2013-2017 American Community Survey found that 93 percent of the District’s population 25 years and older had graduated from high school or earned an equivalency, while only 87 percent of the U.S. population 25 years and older had.

Clearwater County has the lowest proportion of high school graduates in the District, 89 percent. Its lower rate is partly explained by its high proportion of people over 65 years of age. People from earlier generations were less likely to graduate from high school than people in more recent generations.

About 29 percent of the region’s residents 25 years and older have earned bachelor’s or higher degrees while 31 percent of American adults are college graduates. Lewis County has the lowest percentage of college graduates, only 16 percent of its adult population have earned bachelor's

Educational Attainment of Population 25 Years and Over by County						
<i>Census Bureau, American Community Survey, 2013-2017 Estimates</i>						
	United States	Clearwater	Idaho	Latah	Lewis	Nez Perce
<b>Less than 9th grade</b>	5%	3%	3%	1%	4%	2%
<b>9th to 12th grade, no diploma</b>	7%	8%	7%	3%	7%	6%
<b>High school graduate (inc. GED)</b>	27%	35%	35%	19%	33%	31%
<b>Some college, no degree</b>	21%	29%	28%	22%	32%	29%
<b>Associates degree</b>	8%	8%	8%	9%	9%	9%
<b>Bachelor's degree</b>	19%	12%	13%	27%	12%	16%
<b>Graduate or professional degree</b>	12%	5%	6%	20%	4%	6%

Table 12: Education Attainment by County, Population 25 and Over

degrees or higher. Latah County, whose largest employer is the University of Idaho, has the highest percentage of college graduates - 46 percent. The other three counties are below the national average: Clearwater County - 17 percent; Idaho County - 19 percent; and Nez Perce County - 23 percent.

The Clearwater District has significantly increased the educational level of its adult population in the last three decades. In 1980, only 74 percent of the District's population 25 years and over were high school graduates. Today, 93 percent are. In 1980, 17 percent of the District's 25-plus population had earned a bachelor's degree or higher. Today, 29 percent have. There also has been a significant increase in individuals who are earning technical certificates and associate degrees from colleges.

### Workforce

The District's workforce traditionally has had a reputation for its strong work ethic and high productivity, but it has grown slowly. Between 1978 and 2018, the District's civilian labor force grew 22 percent from 42,800 to 52,300. In the same 40-year period, the U.S. civilian labor force grew 59 percent and the state of Idaho's grew 98 percent.

Economic problems and the aging of the population caused Clearwater County to lose labor force throughout the last three decades and Idaho County's labor force didn't grow significantly in the last 30 years. Latah County experienced the fastest growth in the region, 40 percent between 1978 and 2018. People living in Latah County often work in neighboring Whitman County, Washington, where Washington State University and Schweitzer Engineering Laboratories are located.

The recession, aging of the population, and stagnant employment caused Nez Perce County's labor force to shrink a bit after the 1990s. Nez Perce County employers draw workers from throughout the District and from Asotin County, Washington, while many Nez Perce County residents work in Latah and Whitman Counties. Despite that decline, Nez Perce County grew 28 percent over the last 40 years. In 2018, Lewis County's labor force was roughly the same size as it was 40 years earlier.

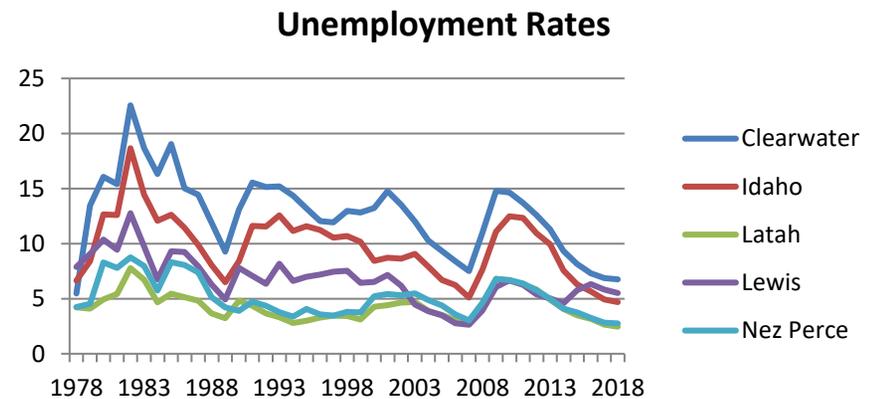


Table 13: District Unemployment Rate

The District experienced especially high levels of unemployment in the early 1980, when a double-dip recession devastated forest products employment. Since then, the District’s unemployment rate has moved similarly to the U.S. unemployment rate and has often fallen below the U.S. unemployment rate. Between 2003 and 2007, the District experienced some labor shortages. Skilled manufacturing, construction, and health care workers were especially difficult to find, but even wages for unskilled workers rose sharply as employers competed for the limited number of workers.

The District’s unemployment rate fell to the lowest rate ever recorded, 2.9 percent, in June 2007. After the U.S. recession began in December 2007, the District’s unemployment rate more than doubled, but remained below the U.S. unemployment rate. Clearwater and Idaho counties, the District’s most timber-dependent counties, suffered from double-digit unemployment rates after the U.S. housing market collapsed, slashing the demand for lumber and other wood products. Idaho County’s unemployment rate fell below 10 percent in late 2012, while Clearwater County’s rate fell below 10 percent in 2014. The unemployment rates of the District’s other counties also fell considerably since the recession ended. In all the District’s counties, except Lewis, unemployment rates fell to record lows in 2018 and 2019.

<b>Workers on Payrolls in District, By Age</b>				
	<b>1998</b>	<b>2018</b>	<b>1998</b>	<b>2018</b>
<b>Total</b>	40,329	41,561	100%	100%
<b>14-18 years</b>	1,496	1,125	4%	3%
<b>19-21 years</b>	2,784	2,484	7%	6%
<b>22-24 years</b>	2,947	2,775	7%	7%
<b>25-34 years</b>	9,000	8,588	22%	21%
<b>35-44 years</b>	10,638	8,464	26%	20%
<b>45-54 years</b>	8,686	8,094	22%	19%
<b>55-64 years</b>	3,936	7,489	10%	18%
<b>65 year &amp; over</b>	842	2,542	2%	6%

While 22 percent of the U.S. labor force in 2018 - including workers on employers’ payrolls, the self-employed, and unemployed workers - was over 54 years of age, 24 percent of the District labor force was over 54 years of age. The District therefore will be facing a high number of retirements in coming years. With its youth population growing more slowly than the nation's, the District will face challenges in replacing those retirees. Workers on payrolls who were aged 25 to 54 years fell 13 percent from 19,638 in 1998 to 17,057 in 2018. The number of people under 22 years old on payrolls fell 12 percent from 7,227 to 6,384.

Over the decades, the District has experienced a high level of “brain drain”. Young people who grow up in the District or come to the District for an education tend to move away after graduation, because job opportunities are limited. If the region can keep more of these youth, it will solve its biggest potential labor force problem.

Table 14: Workers on Payrolls in District, by Age

Finding and affording care for their children is a barrier to working for many parents. That’s especially true for shift workers, people who work unusual hours or days, and families in rural communities. Another difficulty for many workers is the lack of affordable housing, which makes many individuals face long commutes - reducing family time, increasing costs, requiring reliable vehicles, and posing travel challenges especially in the winter months.

Employers often find they lose some workers who commute long distances with the arrival of winter weather. The lack of affordable housing also makes it challenging for businesses to expand their workforce in many communities, since this makes it difficult to recruit workers to the area.

The District’s workforce is better educated than the state’s and the nation’s workforces. The District has a better high school graduation rate than the state, which performs better than the nation. The District outperforms the state and U.S. in terms of postsecondary education, as well. Its young men especially stand out for their educational attainment relative to young men in Idaho and the U.S.

<b>Educational Attainment of the Population 25 Years &amp; Over</b>						
<i>U.S. Census Bureau American Community Survey 2013-2017</i>						
	<b>District</b>		<b>State of Idaho</b>		<b>United States</b>	
	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
<b>25 to 34 years</b>						
<b>High school graduates</b>	94%	93%	92%	90%	91%	88%
<b>Some college but no bachelor’s</b>	39%	36%	40%	36%	33%	31%
<b>Bachelor's degree or higher</b>	38%	29%	28%	23%	38%	30%
<b>35 to 44 years</b>						
<b>High school graduates</b>	96%	92%	92%	89%	89%	87%
<b>Some college but no bachelor’s</b>	41%	35%	38%	32%	31%	28%
<b>Bachelor's degree or higher</b>	35%	29%	32%	30%	38%	32%
<b>45 to 64 years</b>						
<b>High school graduates</b>	95%	92%	92%	90%	89%	87%
<b>Some college but no bachelor’s</b>	37%	36%	40%	35%	32%	28%
<b>Bachelor's degree or higher</b>	32%	25%	26%	27%	30%	30%

Table 15: Education Attainment of Population 25 Years & Over

## Industrial Clusters that Drive the District's Economy

Industrial clusters are groups of industries located in the same area and tied to each other by common products, services, supply chains, and/or workforce needs. Some industries in the clusters may have developed to support another industry in the cluster. Firms in the cluster may compete against each other, because they make the same products or services, or they may cooperate as part of a common supply chain. They often have similar workforce needs, and workers who receive training and gain experience in one firm in the cluster may be able to find work easily in another firm in the same cluster. Clusters generally form based on an area's comparative advantages. North Central Idaho has several industry clusters, some are well-developed but continuing to evolve and others are in the process of forming.

**Forest products:** The forest product industries make up the District's largest and oldest industrial cluster. This includes logging; transportation firms that carry logs, lumber, paper, and wood chips; wood products manufacturing; paper products manufacturing; machine shops that specialize in repairing and fabricating logging and sawmill equipment; and forest management. Altogether about 3,900 people work in the forest products cluster. The largest employers in the cluster are Clearwater Paper mill in Lewiston, 1,200 jobs; the Forest Service, 400 jobs; Idaho Forest Group, more than 400 jobs at its mills in Lewiston and Grangeville; the Nez Perce Tribe, 250 jobs; and Bennett Lumber mill in Princeton.

Forest management - including reforestation, management for recreational uses, stream restoration, fire prevention and fighting, and fish and wildlife management - is the source of many jobs with the Forest Service, state land and park departments, the Nez Perce Tribe, the University of Idaho, environmental engineering and analysis firms, and private forest land owners. Well-managed forests in turn boost tourism and make the District attractive to people looking for places to live.

**Recreational technology:** North Central Idaho is an outdoor paradise offering great opportunities for hunting, fishing, hiking, camping, jet boating, snowmobiling, whitewater rafting, horseback riding, recreational vehicles, and cross-country skiing. Not surprisingly, many manufacturers here make equipment for recreational activities.

The Lewis-Clark Valley is known as the jet boat capital of the world, as 13 firms in Lewiston, Clarkston, and Orofino manufacture aluminum jet boats. The Snake River Boat Builders, a coalition of jet boat manufacturers has introduced their jet boats into the European market. The coalition has exhibited its boats at Europe's largest boat show in Dusseldorf, Germany, and boat shows and trade missions in Norway, Sweden, and Spain. Boat builders employ about 200 people in North Central Idaho and another 250 in Clarkston, WA.

Ammunition is the largest rec-tech industry in the region. Ammunition maker, Vista Outdoor (formerly, ATK) in Lewiston, added more than 500 jobs between 2007 and 2016. They undertook a \$70 million expansion in 2016, and its employment rose to 1,400. Howell Munitions & Technology, a Lewiston firm which made bullet-making equipment, started making ammunition in Lewiston in 2012, and its employment reached 400 by 2016. After the 2016 presidential election made gun owners less fearful about gun controls, they quit amassing ammunition and Vista Outdoors and Howell Munitions lost more than 500 jobs between November 2016 and October 2019.

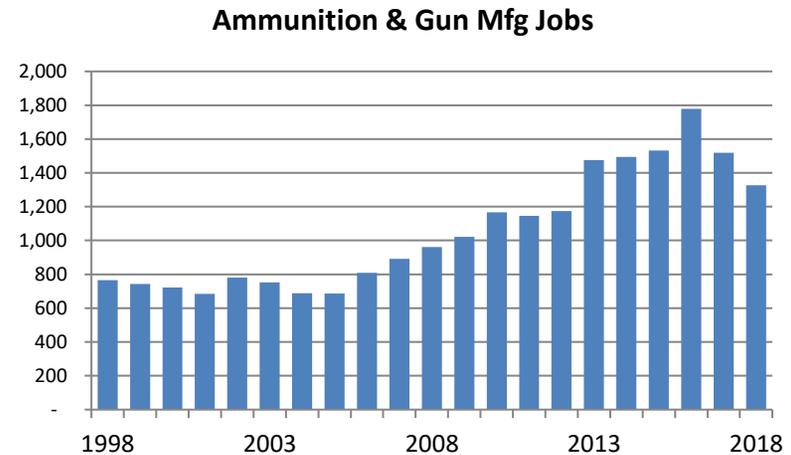


Table 16: Ammunition & Guns Manufacturing Jobs

In addition to the boat builders and the ammunition makers, there are 17 other companies that make outdoor recreational equipment - including guns, riflescopes, kayaks, arrows and bows, bird and animals calls for hunting, and fishing gear. Together, they employ about 460 people. Nightforce Optics, a maker of riflescopes employing more than 100 people in Orofino; Northwest River Supplies, a Moscow wholesaler that also makes kayaks employs about 100 people; and Seekins Precision, a gun manufacturer in Lewiston employing more than 50 people, are the largest in this rec-tech group.

Today, rec-tech companies including ammunition makers and boat builders provide about 1,600 jobs, accounting for one in three of the District’s manufacturing jobs.

**Metal fabrication supercluster:** The jet boat builders, ammunition makers, and firearms manufacturers are part of a larger “supercluster” of firms that are primarily engaged in metal fabrication. The supercluster, which employs about 2,500 people, includes machine shops, makers of farm and mining equipment, and metal parts fabricators. The supercluster shares common workforce needs and have a lot of interaction between each other as buyers and sellers of intermediate products or services. They also work together on projects such as the American Manufacturing Network, developed by Clearwater Economic Development Association and Northwest Intermountain Manufacturing Association, to assist local manufacturers secure military contracts.

**Higher education:** Higher education is a major export industry in the District. (Export industries are industries that bring in dollars from outside the District and that drive the local economy.) The University of Idaho in Moscow offers a wide range of bachelor’s and postgraduate degrees, while Lewis-Clark State College in Lewiston offers bachelor’s programs and professional-technical training, including training customized to the

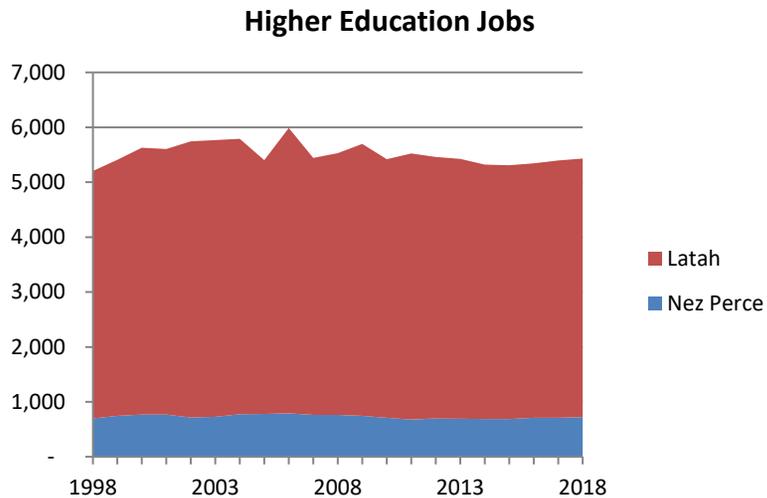


Table 17: Higher Education Jobs in the Region

needs of regional employers. Together they provide about 5,500 jobs including 1,500 work-study positions. The 12,500 students enrolled on the Moscow and Lewiston campuses also spend discretionary funds, benefitting the communities in the region. The District also benefits from the growing enrollment at Washington State University in Pullman, eight miles from Moscow. Pullman residents often shop in Moscow, and many Moscow residents work in Pullman. New St. Andrews College, a four-year Christian school in Moscow, also draws about 200 students to the area.

**The technology transfer cluster:** The University of Idaho is the source of another cluster - professional service firms that spin off from university research. Their growth is fostered by the Palouse Knowledge Corridor, an organization formed by the university and Washington State University, just a few miles across the border, to promote businesses that develop from research at the universities. The university is strengthening its efforts

to direct its research to the needs of Idaho businesses, generate patents and increase technology transfer programs that create businesses in the community based on those patents.

Management, scientific, and technology consulting and research companies in Moscow employed 30 people in 1995. By 2005, the technology transfer cluster employed 200. Today, it employs more than 480 people. In addition, there are two manufacturing operations that employ about 50 people that are technology transfer companies.

The largest technology transfer business in the region is EMSI Inc., which employs about 200 people to provide economic consulting services and develop Web-based tools for analyzing regional economic and labor market data. Other players include EcoAnalyst which provides biological assessment and consulting services all over the world; First Step Internet which designs distributed computing environments, groupware, graphical user interfaces, application level productivity tools, and multimedia tools; Anatech Labs, which does water testing, other environmental work, and pharmaceutical testing; TerraGraphics, an environmental engineering firm; BioTracking LLC which can confirm pregnancy of cattle and wildlife through blood samples; IVUS Energy Innovations, designer of environmentally friendly, ultra-strong flashlights; Comtech AHA Corporation which designs computer hardware including chips and circuit boards; and Invertebrate Ecology which performs biodiversity studies and environmental site assessments.

**Vineyard and wine maker cluster:** Designated as an American Viticultural Area (AVA) in 2016, the Lewis-Clark Valley AVA builds upon an industry that emerged in the late 1800’s but disappeared due to prohibition. Before Prohibition, the valley was well-known for its award-winning wines. When designated, the AVA was home to five commercial wineries and seven vineyards. The industry cluster has grown to include eight wineries, nine vineyards, three downtown tasting rooms, and a wine tour company. The Lewis-Clark Valley Wine Alliance, the industry’s regional trade association, works collectively to increase consumer awareness of the Lewis-Clark Valley AVA wines; promote/host education events relative to industry growth; and increase wine/culinary tourism.

**Turning farm products into value-added products:** Agriculture is a long-term mainstay of the District’s economy. On the agricultural lands throughout the District, farmers grow wheat, barley, lentils, peas, garbanzos, canola, hay, and other crops and ranchers raise cattle and horses. To support farmers and ranchers, there are grain elevators, barge and truck transportation, and wholesalers, retailers, and professional services serving farmers and ranchers.

Very few of the District’s agricultural products are processed here. Economic development organizations, university researchers, and agricultural producers are trying to develop food processing that uses local products and turns them into value-added products. Others are hoping to add another element that will bolster farm incomes and attract dollars from outside North Central Idaho by exploring the possibility offered by agritourism. That would also bolster another emerging cluster—the vineyard and wine-making cluster, since tourists could visit vineyards and vintners to sample wines.

**Tourism:** The tourism cluster is small compared to its enormous potential. The District offers wonderful scenery and an abundance of outdoor recreational opportunities in every season. Hunting, fishing, whitewater, and camping are the biggest draws. The Nez Perce Tribe’s casino hotel near Lewiston is the largest tourism employer. About 5,000 people work at inns, RV parks, restaurants, bars, ski areas, golf courses, outfitters and guides, museums, the tribe’s two casinos, and related operations, while a few hundred others have jobs hosting visitors at state parks, the Nez Perce National Historic Park, and national forests. Jobs in the tourism cluster - including restaurants, bars, motels, inns, private campgrounds, casinos,

Tourism Cluster Employment

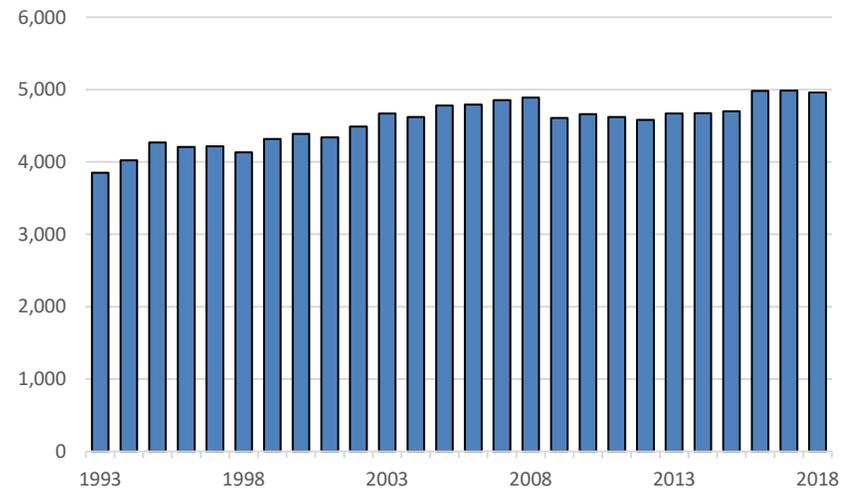


Table 18: Tourism Cluster Employment

outfitters and guides, ski areas, golf courses, tours, and marinas - lost a few jobs during the recession, mostly because of a decrease in business travelers and reduced spending by leisure travelers

**Health care:** The growth and aging of the population have pushed up health care employment in the last 25 years. Health care cluster jobs increased 72 percent from 3,766 in 1993 to 6,481 in 2018. St. Joseph Regional Medical Center in Lewiston and the large community of medical practices around it attract patients from southeast Washington as well as North Central Idaho.

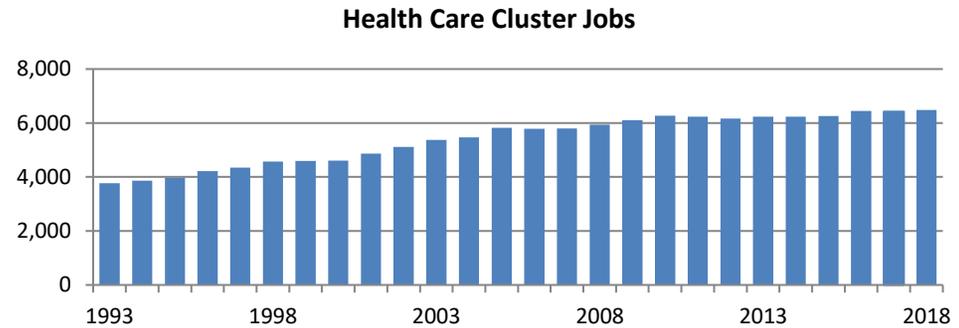


Table 19: Regional Health Care Cluster Jobs

### A Traditional Mainstay: Wood Products

Central to understanding the economy of North Central Idaho is knowledge of the long-term changes in its mainstay sector - wood products and logging. To compare the present to the past requires reconciling two different ways of classifying industries that have been used in the last 40 years. In 2001, federal and state statistical agencies quit classifying industries based on the Standard Industrial Classification and began using the North American Industrial Classification System. Comparing data from the time before the classification change is difficult, since the systems are so different. To show the long-term trend in manufacturing, the old SIC coding, rather than the new NAICS coding, is used when looking at the wood products sector. Under the SIC, logging was part of “lumber and wood products manufacturing”. Under the NAICS, it is not part of manufacturing. Publishing also went from being part of manufacturing, to becoming part of a new sector - Information. Since this chapter uses the older classification, logging is part of lumber and wood products manufacturing and publishing is part of manufacturing as well.

Lumber and wood products, an industry that includes logging as well as lumber and wood products manufacturing, has always comprised a large part of the District’s manufacturing employment. Over time, the District has lost lumber and wood products jobs, while adding other manufacturing jobs. Yet, lumber and wood products jobs make up 26 percent of the District’s manufacturing jobs in 2018 compared to 3 percent of U.S. manufacturing jobs. The paper products industry is closely related to lumber and wood products but is treated as a separate industry. Clearwater Paper in Lewiston is the District’s only paper manufacturer. It employs more than 1,200 people.

### Manufacturing Jobs

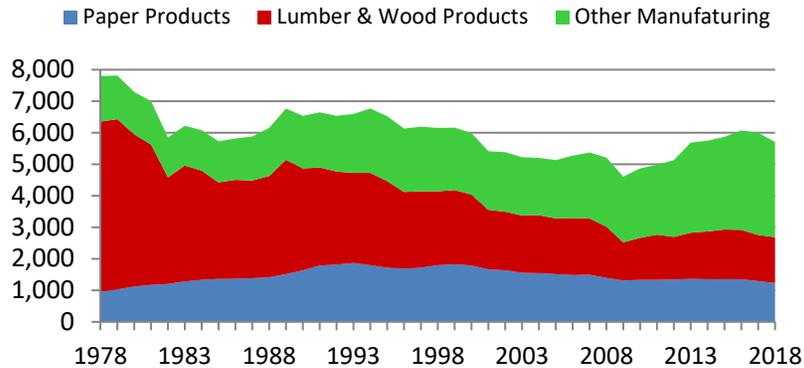


Table 20: Manufacturing Jobs in the Region

for mills. Technology has reduced the amount of labor required to produce the same number of board feet of lumber, veneer, or plywood and to harvest the same number of logs.

Lumber and wood products employment tends to be highly cyclical. When the U.S. is in a recession, housing starts fall to low levels and wood products employment plunges. The recession that began in late 2007 was exceptionally harsh, depressing housing starts and therefore wood products employment to their lowest levels since World War II. In April 2009, housing starts fell to their lowest level, an annualized rate of 479,000. Their two previous low points occurred during major recessions, when they fell to 798,000 in January 1991 and 837,000 in November 1981. Those low points pale in comparison to 2009. U.S. housing starts have risen since the recession but remain below their historic norms. In 2018, they totaled 1.25 million.

Clearwater, Idaho, and Lewis Counties have been especially dependent on the lumber and wood products jobs. Paper products rose from 24 percent of Nez Perce County's manufacturing jobs in 1978 to 47 percent in 1998 and then fell to 32 percent in 2018. Fortunately, the counties have diversified their manufacturing bases in recent years.

Lumber and wood products employment, which includes logging, tends to follow U.S. housing starts. When many new houses are being built, lumber, plywood, and other wood products tend to be in high demand. When a recession or higher interest rates depress housing starts, then lumber and wood products jobs fall. Over time, two other factors have reduced lumber and wood products employment. A change in U.S. Forest Service policy in the early 1990s greatly reduced timber-cutting on federal land, which led to fewer logging jobs and less raw products

### District's Lumber & Wood Product Jobs Relative to U.S. Housing Starts

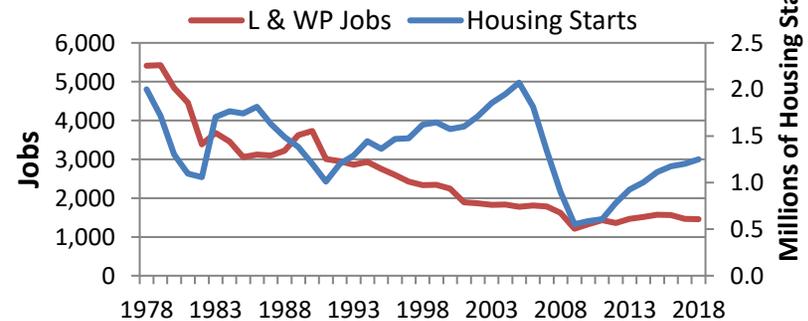


Table 21: Lumber & Wood Product Jobs Relative to U.S. Housing Starts

Since the recession ended, lumber and wood products jobs have increased, with some notable exceptions. In 2016, Blue North Forest Products mill in Kamiah closed, putting its 66 employees out of work, and Tri Pro Cedar mill in Orofino closed a few months later, idling 55 people. A shortage of timber to cut, along with the impact of rising imports of Canadian lumber and declining exports to Asia and other regions, were cited as the reasons for the closures. The net result was that 2018's employment averaged 1,458, about 330 jobs below its 2007 level.

Logging and wood and paper product manufacturing offer relatively high-paying jobs that can support families. The average worker in the District's forest products cluster made \$62,029 in 2018, while the average worker in all other sectors made \$36,894. Losing those jobs are especially hard on communities. Because of the sector's high wages and its large number of related industries - including forest road construction, forestry, paper products, and transportation - the sector has an especially high impact on local economies. Its economic multiplier of 3.56 is more than double the economic multiplier for the average sector. This means that for every job created in the lumber and wood products sector, another 2.56 jobs are indirectly created in the District's economy. Its high multiplier means that timber-dependent communities throughout the District suffer whenever the lumber market is depressed and thrive when it is strong.

## Geography

Mountains, high prairies, and river valleys create the region's unique landscape; the lowest point of the region lies at 700 feet above sea level – the highest point rises above 8,500 feet. The Bitterroot Mountains divide Idaho and Montana, creating the eastern border of the region. To the west, the border is defined by the Snake River separating the five North Central Idaho counties from Oregon and Washington. The District has four seasons with some areas of the region experiencing more severe temperatures and precipitation than others. Temperatures range from highs of 90°F to 105°F during the summer with lows between 0°F to 20°F in the winter.

North Central Idaho, like the rest of the state, is well known for scenic wonders and world-class outdoor adventures. The District is home to:

- North America's two deepest river gorges - Hells Canyon and the Salmon River of No Return;
- The largest wilderness area in the lower 48 states - Selway-Bitterroot Wilderness, Frank Church-River of No Return Wilderness, Gospel Hump Wilderness and the Hells Canyon National Recreation Area;
- The Nez Perce-Clearwater National Forest encompassing 4.0 million acres; and,
- Scenic Byways – Northwest Passage Scenic Byway All American Road, Gold Rush Byway, Elk River Back Country Byway, and the White Pine Byway.

The forestlands of the District have been a major economic factor since people began settling in the area in the late 1800s. The Clearwater Economic Development District land use is primarily forest (73.2 percent), the Nez Perce – Clearwater National Forest encompass 3.1 acres of forest land. These region’s forests are the source of the District’s largest industry and include sectors such as logging, processing logs into lumber and other wood products, processing wood into outputs such as paper or electricity, and timber management services.

## Environment

With over 5.5 million acres managed by the Nez Perce - Clearwater National Forest, Bureau of Land Management, U.S. Army Corp of Engineers, National Park Services, and US Fish and Wildlife Service, 64.6 percent of District land is federally owned. An additional 29.6 percent is privately-owned with the remainder owned by the State of Idaho, Nez Perce Tribe, and local government.

**Land Use:** The Clearwater Economic Development District land use is primarily forest (73.2%) followed by range land and agriculture (14.9 percent and 11.4 percent). Water and urban areas comprise less than one percent.

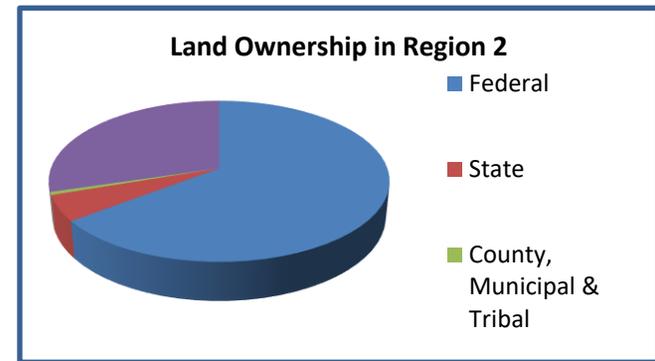


Table 22: Land Ownership in Region 2

## Federal Lands

- **Nez Perce – Clearwater National Forest** - Nez Perce - Clearwater National Forests comprises 4.1 million acres; nearly half of which is designated as Wilderness.
  - The **Clearwater National Forest** is divided into 17 management areas totaling 1.9 million acres, located within Clearwater and Latah Counties. Twenty-eight percent of the forest is managed for timber production; 47 percent is managed for recreation, big game habitat and high valued fishery habitat; the remaining 25 percent of the lands are part of the Selway-Bitterroot Wilderness complex. The Nez Perce Lolo Trail motorway and the Lewis and Clark Trail cross Clearwater National Forest land north of U.S. Highway 12.
  - The **Nez Perce National Forest** is located within Idaho County. The forest is divided into 26 management areas totaling 2.2 million acres. Thirty-three percent of the forest is managed for timber production; 25 percent is managed for recreation, big game and fisheries habitat; the remaining 42 percent of the lands are designated wilderness (Selway-Bitterroot, Frank Church River of No Return, Gospel Hump and portions of Hells Canyon).

- The **Clearwater Basin Stewardship Collaborative** brings together representatives from all backgrounds to cooperatively provide a stewardship approach for improving conditions on federal lands. The Collaborative was established to provide direction for managing the ecological, social, and economic needs on portions of the Clearwater and Nez Perce National Forests. The Collaborative Group includes a wide range of commodity, environmental, recreational, fish and wildlife, Native American, and local government interests. [www.idl.idaho.gov/LandBoard/flt/AppG\\_CLEARWATER.pdf](http://www.idl.idaho.gov/LandBoard/flt/AppG_CLEARWATER.pdf)
- **The Bureau of Land Management (BLM)** manages 133,207 acres of land within the region. In Idaho and Lewis counties, BLM lands are comprised of several large blocks of land in timber and rangeland habitats. Throughout Clearwater, Latah and Nez Perce counties, BLM lands are primarily small blocks of riparian habitat (stream/river side properties). Management objectives for BLM lands within the region are focused on recreation, livestock and wildlife grazing areas, with small blocks utilized for timber production.
- **The National Park Service (NPS)** owns and manages 1,478 acres of land in the region. The primary objective for management of these lands is the interpretation of Nez Perce Tribal culture and history.

#### Tribal Lands

- **The Nez Perce Tribe of Idaho's** reservation boundary encompasses 750,000 acres of which approximately 85,000 acres are owned by the Tribe and/or tribal families. The Nez Perce Tribe is federally recognized by virtue of the Treaties of 1855, 1863 and 1868 with the United States government. The remaining 665,000 acres were made available to non-Indian settlement and are currently owned by private individuals.

#### State Lands

- **The Idaho Department of Lands** manages 355,693 acres of State of Idaho Endowment Fund land within the North Central Idaho region. Lands are distributed throughout all counties with the most timber production lands in Clearwater County. These lands are managed for grazing and timber production. Proceeds from activities on these lands are utilized to support the State Endowment Fund that provides some public-school funding. [www.idl.idaho.gov](http://www.idl.idaho.gov)
- **The Idaho Department of Fish and Game** owns and manages Wildlife Management Areas (WMA's) in the region. These lands were acquired as wildlife mitigation from the Bonneville Power Administration in compensation for losses of wildlife habitat in Clearwater County when the Dworshak Dam was built. In addition to these WMA's, the Department manages several fishing reservoirs, conservation easements, and a wildlife preserve within the region. [www.fishandgame.idaho.gov/](http://www.fishandgame.idaho.gov/)

- **The Idaho Department of Parks and Recreation** manages three state parks located in Nez Perce, Lewis, and Clearwater Counties: Hells Gate State Park, Winchester Lake State Park and Dworshak Reservoir State Park. <http://parksandrecreation.idaho.gov/>

## Transportation

The major transportation corridor north to south is U.S. Highway 95 and east to west is U.S. Highway 12. State Highways 3, 6, 8, 11, 13, and 14 connect to the major arterials.

Because of the diverse terrain, the region’s road system has a significant number of winding roads and steep grades. The closest interstate is 50 miles to the north of Latah County and 100 miles to the south of Idaho County. The Idaho Transportation Department Region II maintains the 4,163 miles of state highway; county road departments maintain several hundred miles of the road system, and local highway Districts maintain 695 miles of the road system.

The Idaho Transportation Department oversees the **State Transportation Improvement Program (STIP)**. The purpose of the STIP is to provide for a one to five-year capital improvement plan for the state’s surface transportation program. The STIP is updated annually and follows this planning cycle closely to ensure that projects are identified, selected, and prioritized. The STIP has been developed through a coordinated and cooperative process by the Idaho Transportation Department (ITD) involving citizens, elected officials, tribal governments, other state and federal agencies, each of Idaho’s six metropolitan planning organizations (MPO), the Local Highway Technical Assistance Council (LHTAC) and other interested organizations. The STIP establishes schedules for a variety of projects, including highways and bridges, bicycle and pedestrian facilities, highway safety, congestion mitigation, air quality, railroad crossing safety, airports, public transportation, and transportation planning. [www.itd.idaho.gov/planning/stip/](http://www.itd.idaho.gov/planning/stip/)

**Scenic Byways:** The region hosts four Scenic Byways with America’s Scenic Byway or State Scenic Byway designation. Byways include:



Figure 2: North Central Idaho Transportation Network

- Northwest Passage Scenic Byway All American Road – 202 miles, beginning in Lewiston and following U.S. 12 northeast to the Idaho - Montana border; also following Idaho 13 from Kooskia to Grangeville and the junction of U.S. 95.
- Gold Rush Byway – 42.5 miles, beginning at the junction of U.S. 12 and Idaho 11 on the Clearwater River at Greer.
- Elk River Back Country Byway – 57 miles, beginning in Orofino, going north across the Dent Bridge following the route to Elk River and ending at Bovill on State Highway 8.
- White Pine Byway – 82.8 miles, beginning at Potlatch following the Palouse River through Princeton and Harvard, turning north, and ending in Cataldo outside the Clearwater Economic Development District. [www.idahobyways.gov/byways](http://www.idahobyways.gov/byways); [www.nwpassagescenicbyway.org](http://www.nwpassagescenicbyway.org)

**Airports:** The Lewiston-Nez Perce County Airport and the Pullman-Moscow Regional Airport provide the primary air transportation services to the region. The region has four general aviation airports located in or near the cities of Orofino, Kamiah, Grangeville (Idaho County Airport), and Craigmont. There are three community airports to include Cottonwood, Nezperce, and Kooskia. There are also eight wilderness or backcountry airports.

- **The Lewiston-Nez Perce County Airport:** Since 1944, the Lewiston-Nez Perce County Regional Airport has provided passenger service to the region. With commercial service provided by Delta airlines, the airport provides direct service to Salt Lake City. Federal Express, the United Parcel Service, DHL and other air cargo services provide the whole region with freight transport.

The regional agriculture and forest industries rely on the airport for servicing aerial applicators that apply fertilizers and other chemicals to farmland and for providing airframe, applicator, and power plant maintenance to the aerial applicator planes. Federal agencies use the airport to address forest and wildland fires that occur on neighboring federal, state, and private lands. The United States military uses the airport for training and national security purposes.

The Lewiston-Nez Perce County Airport is owned and operated jointly by the City of Lewiston and Nez Perce County. The Airport Authority Board provides oversight. Currently, the Airport is developing the 80-acre Southside Airpark. [www.golws.com](http://www.golws.com)

- **The Pullman-Moscow Regional Airport:** The Pullman-Moscow Regional Airport is in the State of Washington near the Idaho border. Alaska Airlines provides direct service to the Seattle-Tacoma International Airpor, providing connections to American, Delta, Northwest, and Continental. [www.pullman-wa.gov/airport](http://www.pullman-wa.gov/airport)

**The Port of Lewiston:** The Port of Lewiston, located in Lewiston along the Clearwater river, is the furthest inland seaport on the west coast of the United States and is important to the agriculture and paper product industries of the region. The Port of Lewiston was established in 1958 as an Economic Development District (encompassing the boundaries of Nez Perce County, Idaho), intermodal transportation center, and facilitator of international trade. The mission of the Port is to create and retain jobs that enhance the economic stability of Nez Perce County and the other counties of North Central Idaho. Located on the Lower Granite Dam Reservoir, the Port began shipping cargo in 1975 when the last of eight dams were constructed as part of the federal Columbia Snake River System.

The Port of Lewiston operates the 150,000 square foot Inland 465 Warehouse, a container yard, and a business incubator program in North Lewiston. In addition, the Port offers land for lease and purchase at the Harry Wall Industrial Park and the Business and Technology Park.

Because the Port of Lewiston is the end of the navigable Columbia Snake River System, the Port acts as a natural funnel for inbound and outbound products from North Central Idaho, Canada, Montana, the Dakotas, and Wyoming. Agricultural and wood products have primarily benefited from the efficient transportation alternative as it allows these industries to compete in global markets.

In addition to port-owned facilities, the North Port property hosts privately-owned grain terminals and trucking companies. A feeder line of the Great Northwest Railroad with a direct link to the main lines of the Union Pacific and Burlington Northern Railroads serves the Port.

Nearly all the region's soft white wheat, pea, and lentils are shipped through the Port of Lewiston. [www.portoflewiston.com](http://www.portoflewiston.com)

**Rail System:** A feeder line of the Great Northwest Railroad (GRNW) with a direct link to the main lines of the Union Pacific (UP) and Burlington Northern Railroads (BNR) to the west of North Central Idaho serves the region. The Great Northwest Railroad (GRNW) is in the Idaho Panhandle with an office in Lewiston and consists of approximately 77 mainline miles. From Lewiston, Idaho, the railroad leads west to Riparia, Washington. [www.watcocompanies.com/Railroads/gnr/grnw.htm](http://www.watcocompanies.com/Railroads/gnr/grnw.htm)

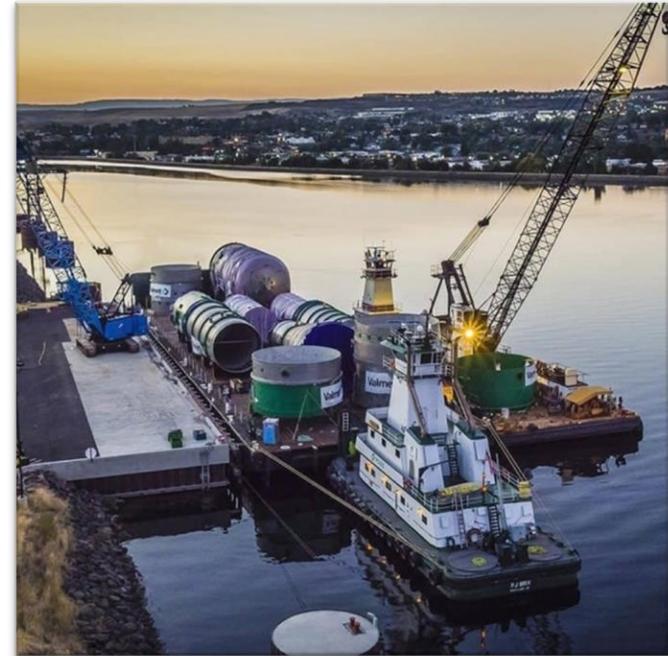


Figure 3: Port of Lewiston, Nez Perce County - photo provided by Port of Lewiston

**Mobility Systems:** Public transportation services are available but limited in North Central Idaho. Primary public transit providers include SMART, providing fixed route and dial-a-ride services in Moscow, and the City of Lewiston providing similar service for the residents of Lewiston. Appaloosa Express Transit offers service to Lenore, Greer, Orofino, Kamiah, Kooskia, Peck, Culatesac, Lapwai, and Lewiston. Appaloosa Express Transit connects with Lewiston Transit and Asotin County Public Transportation Benefit Area at the Lewiston Community Center. Northwestern Trailways provides inter-city transportation, connecting the region south to Boise, and west to Spokane.

**Lewis-Clark Valley Metropolitan Planning Organization (LCVMPO):** The Lewiston, Idaho/Clarkston, Washington area is designated as a bi-state, metropolitan planning area to consider the transportation needs of the Lewiston and Clarkston Valley area and to plan for the orderly improvement, development, and growth of the communities. [www.lewisclarkmpo.org](http://www.lewisclarkmpo.org)

## Power

**Hydroelectric Power Production:** Dworshak Dam is a hydroelectric, concrete dam on the North Fork of the Clearwater River in Clearwater County. The Dam has a generating capacity of 400 megawatts with an overload capacity of 460 megawatts. It is the highest straight-axis concrete dam in the western hemisphere.

**Power Utilities:** Avista Corporation, an investor-owned utility, provides about 80% of the electricity and 100% of the natural gas to the region. Public cooperatives, including Clearwater Power Company, Idaho County Light and Power, and Idaho Power cover the rest of North Central Idaho needs. Natural gas is available for residential and small commercial business use in some areas of the region. Providing reliable basic service to remote communities like Elk City, White Bird and Riggins is a fundamental challenge in the District. Efforts to expand and implement the visibility of alternative sources, such as wind, hydro-electric, biofuels, and bio-mass sources are under way. Clearwater Paper Corporation of Lewiston owns and operates the only working co-generation plant within the region that sells electricity back to Avista Corporation.

- Avista Corporation: [www.avistacorp.com](http://www.avistacorp.com)
- Clearwater Power Company: [www.clearwaterpower.com](http://www.clearwaterpower.com)
- Idaho County Light and Power: [www.iclp.coop](http://www.iclp.coop)
- Idaho Power: [www.idahopower.com](http://www.idahopower.com)

## Medical and Emergency Services

**Health Care Systems:** The Clearwater Economic Development District has one regional medical center and four (4) critical access hospitals. Numerous independent clinics and hospital-owned medical clinics are scattered throughout the region. In nearby Clarkston and Pullman, Washington, two additional hospitals serve the region.

- St. Joseph Regional Medical Center, Lewiston, ID, [www.sjrmc.org](http://www.sjrmc.org)
- Clearwater Valley Hospital, Orofino, ID, [www.smh-cvhc.org](http://www.smh-cvhc.org)
- Gritman Medical Center, Moscow, ID, [www.gritman.org](http://www.gritman.org)
- St. Mary's Hospital, Cottonwood, ID, [www.smh-cvhc.org](http://www.smh-cvhc.org)
- Syringa General Hospital, Grangeville, ID, [www.syringahospital.org](http://www.syringahospital.org)
- Tri-State Memorial Hospital, Clarkston, WA, [www.tristatehospital.org](http://www.tristatehospital.org)
- Pullman Region Hospital, Pullman, WA, [www.pullmanhospital.org](http://www.pullmanhospital.org)



Figure 4: St. Mary's Hospital, Cottonwood, ID - photo provided by St. Mary's Hospital

Primary challenges for hospitals include the shortage of medical personnel (doctors, nurses, and technicians), scarce financial resources, and the expense of providing services to the uninsured or under-insured. The hospitals are active and aggressive in establishing collaborative partners to share resources, seeking out grant funding, and using technology such as telehealth and telemedicine to provide service.

**Emergency Medical Services:** The Region operates with a web of regional, county, and city organizations that provide different levels of emergency medical services. For example, the City of Lewiston provides regional emergency response services with full-time professionals to the City and some of the communities and non-incorporated areas of Nez Perce County and Asotin County, Washington. Clearwater County Ambulance Service works with approximately 20 volunteer Emergency Medical Technicians (EMTs) trained in basic or "first response" that are located in Elk River, Orofino, Weippe, and Pierce. In rural areas, emergency services are provided by primarily trained, first response, or basic EMT volunteers. Most emergency medical service organizations are closely linked to the local fire department, often co-locating in the same facility and sharing personnel. Most EMS organizations have no tax revenue and are dependent on community contributions for operations.

Major challenges facing EMS organizations include funding for needed equipment and facilities, communication equipment inoperability, and trained volunteers.

**Law Enforcement:** The Idaho State Police; the Idaho, Clearwater, Latah, Lewis, and Nez Perce County Sheriff's Departments; the Nez Perce Tribe; and city police departments provide security within the District. Except for Lewiston, Moscow, Grangeville, and Orofino, all other North Central Idaho communities rely on the sheriff's department for law enforcement services. Each county has an established, volunteer Search and Rescue and/or Sheriff's Posse who work with the Sheriff's Department on search and rescue efforts. Major issues facing law enforcement are radio inoperability and maintaining trained staff. Once trained, staff often seeks employment in larger communities or outside the region where pay is better.

**Fire Suppression:** North Central Idaho has approximately 40 city fire departments, fire Districts, and fire organizations that serve the wildland and structural fire suppression needs for the region. Very few of the organizations are staffed with paid, full-time or part-time employees. There continue to be pockets of the region that do not have structural fire protection. To increase capacity, every organization has Mutual Aid Agreements with other fire suppression organizations. Major issues facing the fire suppression services include limited capital for constructing or renovating fire stations and for equipment/vehicles, lack of trained volunteers, and radio inoperability.

**ECONOMIC GROWTH & DEVELOPMENT: COMPARING THE DISTRICT TO THE NATION:** The table below compares various measurement of economic well-being of the District to the U.S.

Economic Measurements & Percent Changes Over 15 Years											
<i>All dollar figures are adjusted for inflation and expressed in the value of a dollar in 2015.</i>											
Region 2	2000	2005	2010	2015	Change	United States	2000	2005	2010	2015	Change
<b>Total Nonfarm Payroll Jobs</b>	44,918	45,681	44,315	45,333	0.9%	<b>Total Nonfarm Payroll Jobs</b>	131,881,000	133,747,000	129,917,000	141,865,000	7.6%
<b>Average Pay</b>	\$33,338	\$33,290	\$35,208	\$36,757	10.3%	<b>Average Pay</b>	\$45,653	\$48,061	\$50,561	\$52,942	16.0%
<b>Private-Sector Employers</b>	3,033	3,191	3,127	3,038	0.2%	<b>Private-Sector Employers</b>	7,622,274	8,294,662	8,695,598	9,224,336	21.0%
<b>Private-Sector Nonfarm Payroll Jobs</b>	31,476	31,796	30,078	31,557	0.3%	<b>Private-Sector Covered Payroll Jobs</b>	111,091,000	110,611,016	106,201,232	118,307,717	6.5%
<b>Private-Sector Average Pay</b>	\$31,761	\$31,439	\$33,417	\$34,963	10.1%	<b>Private-Sector Average Pay</b>	\$45,653	\$47,858	\$50,241	\$52,876	15.8%
<b>Unemployment Rate</b>	5.9%	4.4%	8.1%	4.2%		<b>Unemployment Rate</b>	4.0%	5.1%	9.6%	5.3%	
<b>Population</b>	100,416	101,875	105,362	107,383	6.9%	<b>Population</b>	282,162,411	295,516,599	309,346,863	321,418,820	13.9%
	1999	2004	2009	2014	Change						Change
<b>Poverty Rate</b>	13.3%	12.9%	16.7%	16.8%		<b>Poverty Rate</b>	14.0%	12.7%	14.3%	15.5%	
<b>Personal Income (millions of dollars)</b>	2,960	3,268	3,522	3,793	28.2%	<b>Personal Income (billions of dollars)</b>	10,506	12,128	13,232	14,886	41.7%
<b>Per Capita Income</b>	\$29,392	\$32,195	\$33,636	\$35,437	20.6%	<b>Per Capita Income</b>	\$37,649	\$41,421	\$43,132	\$46,685	24.0%
<b>Number of nonfarm proprietors</b>	\$11,494	\$11,621	\$12,734	\$12,980	12.9%	<b>Number of nonfarm proprietors</b>	24,528,300	29,541,700	35,510,700	39,066,800	59.3%