



TRANSPORTATION DISCUSSION

WASATCH FRONT REGIONAL COUNCIL

BEN HART, DEPUTY DIRECTOR, GOED



Utah Governor's Office *of*
Economic Development

BUSINESS • TOURISM • FILM

TOPICS FOR DISCUSSION

- Utah: accolades, assets and challenges
- State's economic development toolkit
- Corporate recruitment issues



The Atlantic

Wait—Utah Is the Fastest-Growing State?

Attract

Tourism, Film
& Global Branding

8 Global Branding

Recruit

Corporate Recruitment
& International

8 International

Grow

Urban and Rural
Business Services

Business Services

RECENT ACCOLADES

Forbes

#1 Best State for Business

Fodor'sTravel

#1 Travel Destination



#5 Broadband Speeds in U.S.

United States™
Census
Bureau

#1 Fastest Growing State



#1 in Workforce Quality



A+ Small Business Friendliness



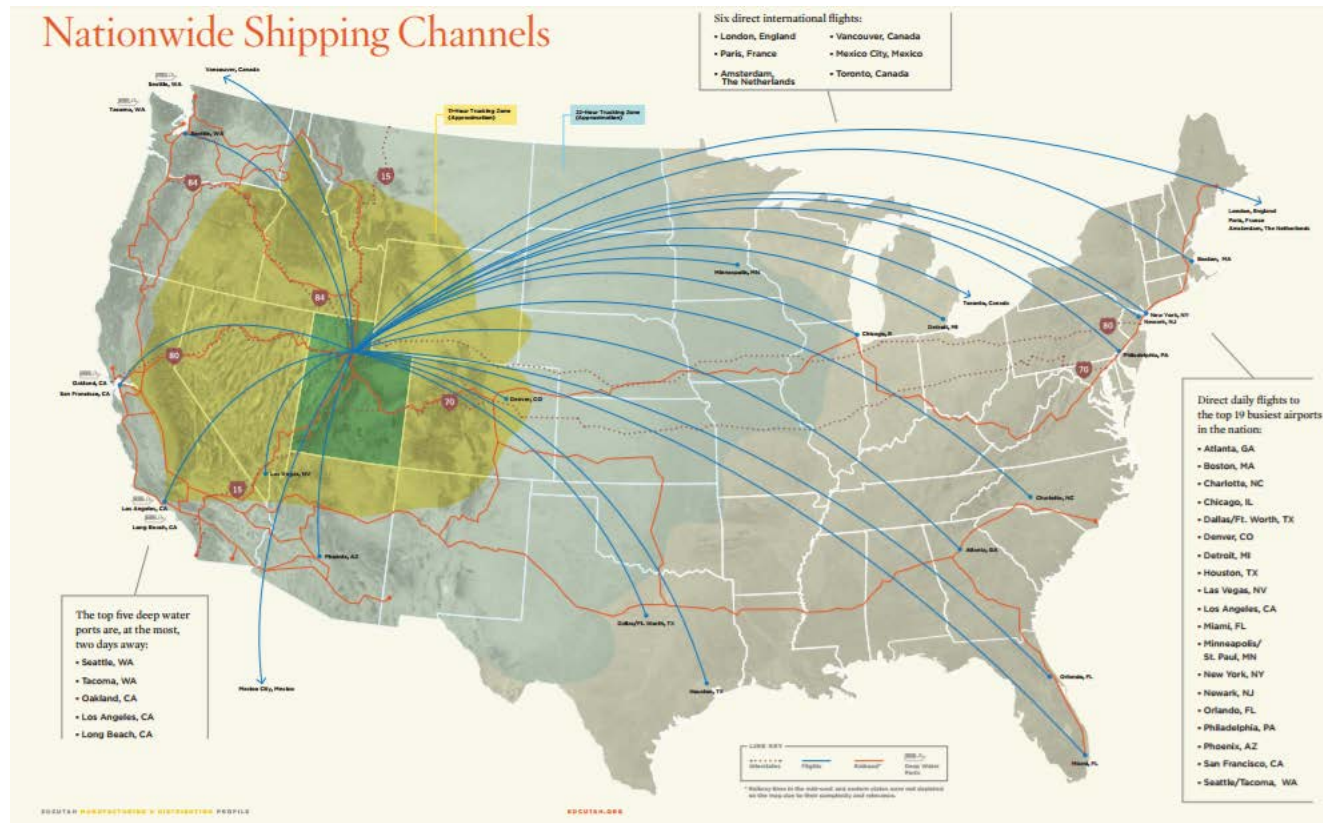
Western Association of State Highway
and Transportation Officials

#1 in Transportation Tech Innovation



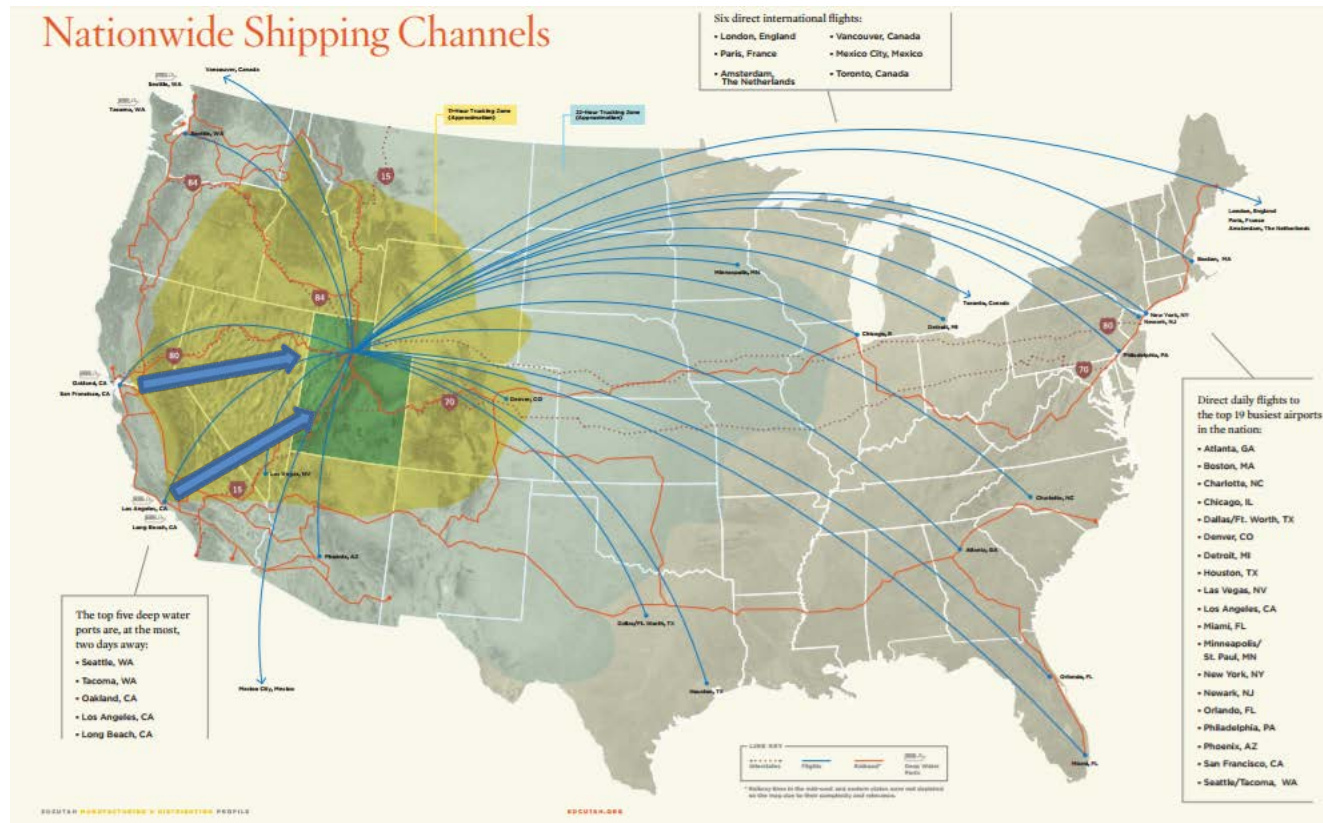
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CROSSROADS OF THE WEST



Convergence of highway, rail, air
...and perhaps an Inland Port?

UTAH: JUST ANOTHER CALIFORNIA SUBURB



1.5 hour flights from
SFO and LAX to SLC

UTAH: PRUDENT AND PREDICTABLE



AAA

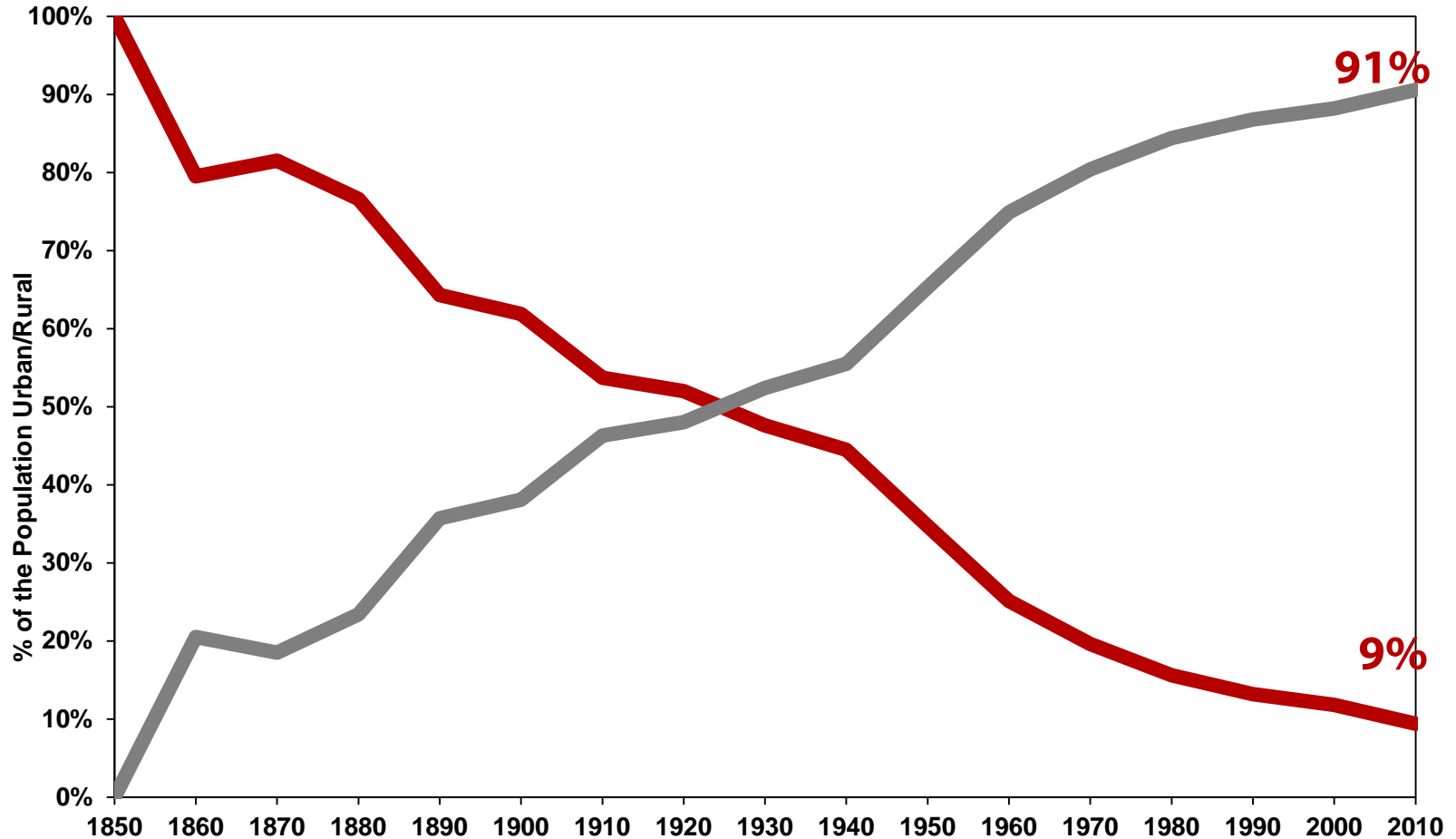
Bond Rating

**Utah has earned AAA ratings
since the 1960s.**

#4 most fiscally healthy state

(Source: George Washington University)

INCREASING URBANIZATION



University of Utah, US Census, Pricenomics



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UTAH'S ECONOMIC CLUSTERS



FINANCIAL SERVICES
75,000 jobs



AEROSPACE & DEFENSE
32,000 jobs



IT/SOFTWARE
70,000 jobs



MANUFACTURING & DISTRIBUTION
190,000 jobs



LIFE SCIENCES
35,000 jobs



OUTDOOR PRODUCTS
7,000 jobs



ENERGY
16,000 jobs



ADVANCED MATERIALS
12,000 jobs

UTAH IS FUN

Tourism is a
\$8.4 B+ industry
that relies on
transportation
infrastructure



LIFE
UTAH
ELEVATED™



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TRANSPORTATION, TALENT AND CORPORATE RECRUITMENT

EDCU: For site selectors, workforce is #1 priority, while transportation access and efficiency is #5 (out of 14 top priorities).

Some factors GOED and EDCU hear:

The 30-minute commute “lasso”
...Where are the workers?

Air quality...Talent recruitment

Access to outdoor recreation
...Workers’ quality of life

Flight times to West Coast...Access from HQ



AN UNFAIR SIMPLIFICATION OF INFRASTRUCTURE DECISIONS

If we build it,
they will come.



If they come,
we will build it.



SOME THOUGHTS FROM WORKING GROUP MEETING

Cluster and Economic Development Impact on
Infrastructure Decisions

Consider Mega-Site Strategy

Data Driven

Investment Incentives

Housing Locations

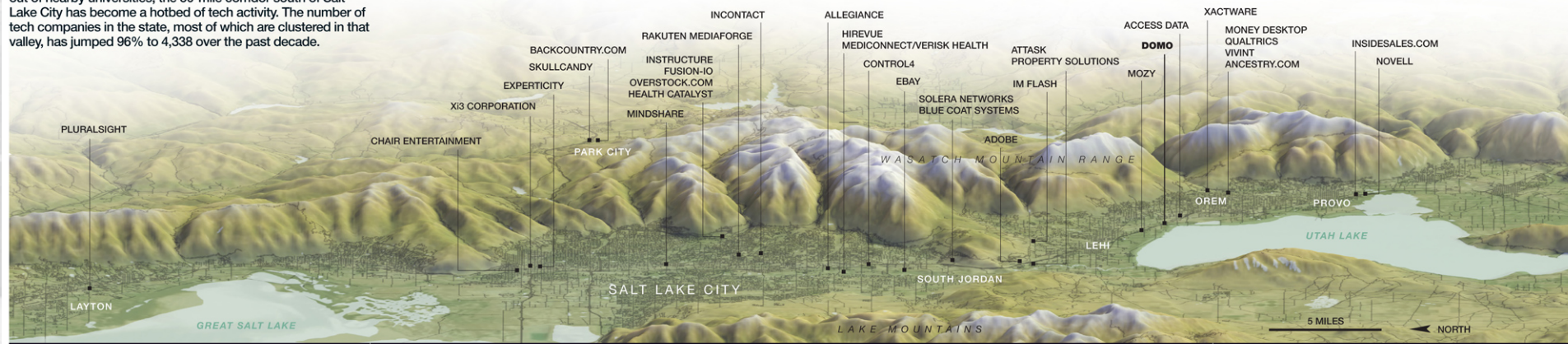
AEROSPACE



SOFTWARE/IT

UTAH'S SILICON SLOPES

With a low cost of living and a trove of tech talent streaming out of nearby universities, the 50-mile corridor south of Salt Lake City has become a hotbed of tech activity. The number of tech companies in the state, most of which are clustered in that valley, has jumped 96% to 4,338 over the past decade.



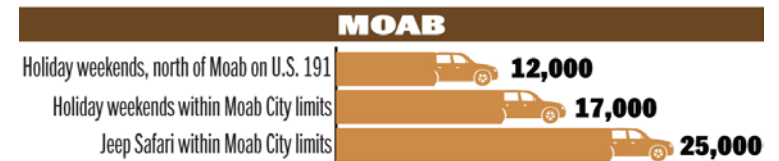
INNOVATION OF OUR HIGHWAYS

- Autonomous vehicle testing on our highways
- UDOT software to measure signal performance now shared nationwide
- Cutting-edge traffic signal control
- UDOT leads nation in development of Intelligent Design and Construction (IDC) initiative



2014 traffic counts in Moab BY DAILY AVERAGE

SOURCE: Utah Department of Transportation DESERET NEWS GRAPHIC



A WAY TO PROMOTE YOUR COMMUNITY: EDCUTAH PUBLIC DEVELOPMENT

- Help municipalities and counties determine readiness to negotiate and win more corporate expansion projects
- How well do you understand:
 - Specific industry
 - Local and state incentive processes
 - Site selector strategies
 - Your own communities
 - Demographics
 - Labor
 - **Infrastructure**
 - Other trends





THANK YOU

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Kem C. Gardner

POLICY INSTITUTE

THE UNIVERSITY OF UTAH



Utah's Defense Sector: Economic Impacts of the Military and Veterans

September 19, 2017

Wasatch Front Economic Development District

INFORMED DECISIONS™

Kem C. Gardner Policy Institute | 411 East South Temple Street, Salt Lake City, Utah 84111 | 801-585-5618 | fax 801-587-3380 | gardner.utah.edu

AN INITIATIVE OF THE DAVID ECCLES SCHOOL OF BUSINESS

Economic Impact Generators

- Hill Air Force Base
- Dugway Proving Ground
- Tooele Army Depot
- Utah National Guard
- Reserves, Recruiting and ROTC
- Veterans
- Additional Contracts and Grants
- Utah Defense Totals

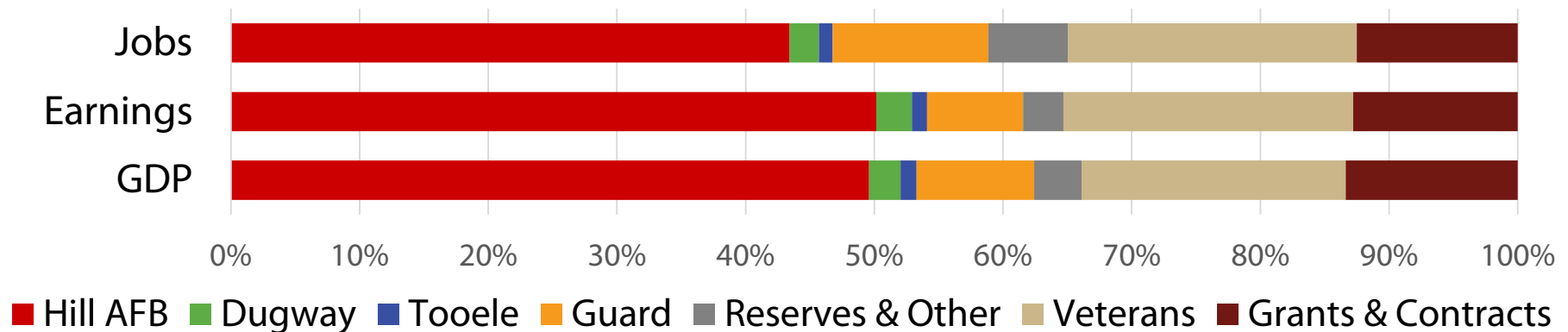
Combined Economic Impact of Defense in Utah: 109,000 jobs and \$9.2 billion in economic activity

Defense was responsible for 5.8% of Utah's jobs, 7.1% of its earnings, and 6.2% of its GDP in 2015.

Table 1: Economic Impact of Utah's Defense Sector, 2015
(Millions of Dollars)

Category	Impact
Jobs	109,021
Earnings	\$6,384.3
Gross Domestic Product	\$9,212.7

Source: Gardner Policy Institute analysis, REMI PI+



Hill Air Force Base supported over 47,000 jobs and about \$4.6 billion in GDP for Utah in 2015.

Table 2: Statewide Impacts of Hill Air Force Base, 2015
(Millions of Dollars)

Category	Direct Federal*	Indirect & Induced	Total
Jobs	16,732	30,609	47,341
Earnings	\$1,825.2	\$1,377.1	\$3,202.3
Gross Domestic Product			\$4,569.8

* Does not include jobs of contract civilian or private businesses on base. These are included in the indirect and induced jobs.

Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model (see Table 2.3 on p. 11 of the report)

Hill AFB employed 16,732 military personnel and DoD civilians. Including contractors, nearly 20,000 people worked on base.

Hill AFB spent \$2.1 billion in Utah during 2015, including employee earnings, DoD contracts, and other expenses.

The **Utah National Guard** supported over 13,000 jobs and \$840 million in GDP for Utah in 2015.

Table 9: Statewide Impacts of the Utah National Guard, 2015 (Millions of Dollars)

Category	Direct Federal	Indirect & Induced	Total
Jobs	9,280	3,896	13,176
Earnings	\$245.7	\$231.6	\$477.3
Gross Domestic Product			\$841.9

Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model (see Table 5.3 on p. 18 of the report)

The Utah National Guard employed 2,383 people full-time, as well as 6,897 Guard members, in 2015. The Guard spent an estimated \$251.3 million in-state.

Dugway Proving Ground supported nearly 2,500 jobs and \$225 million in GDP for Utah.

Table 3: Statewide Impacts of Dugway Proving Ground, 2015
(Millions of Dollars)

Category	Direct Federal*	Indirect & Induced	Total
Jobs	689	1,790	2,479
Earnings	\$78.9	\$96.9	\$175.9
Gross Domestic Product			\$225.0

* Does not include jobs of contract civilians or private businesses on base. These are included in the indirect and induced jobs.

Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model (see Table 3.3 on p. 14 of the report)

Dugway Proving Ground employed 689 people and spent an estimated \$135.1 million in Utah during 2015. Including contractors, over 1,500 people worked on base.

Tooele Army Depot supported 1,100 jobs and \$114 million in GDP for Utah in 2015.

Table 4: Statewide Impacts of Tooele Army Depot, 2015
(Millions of Dollars)

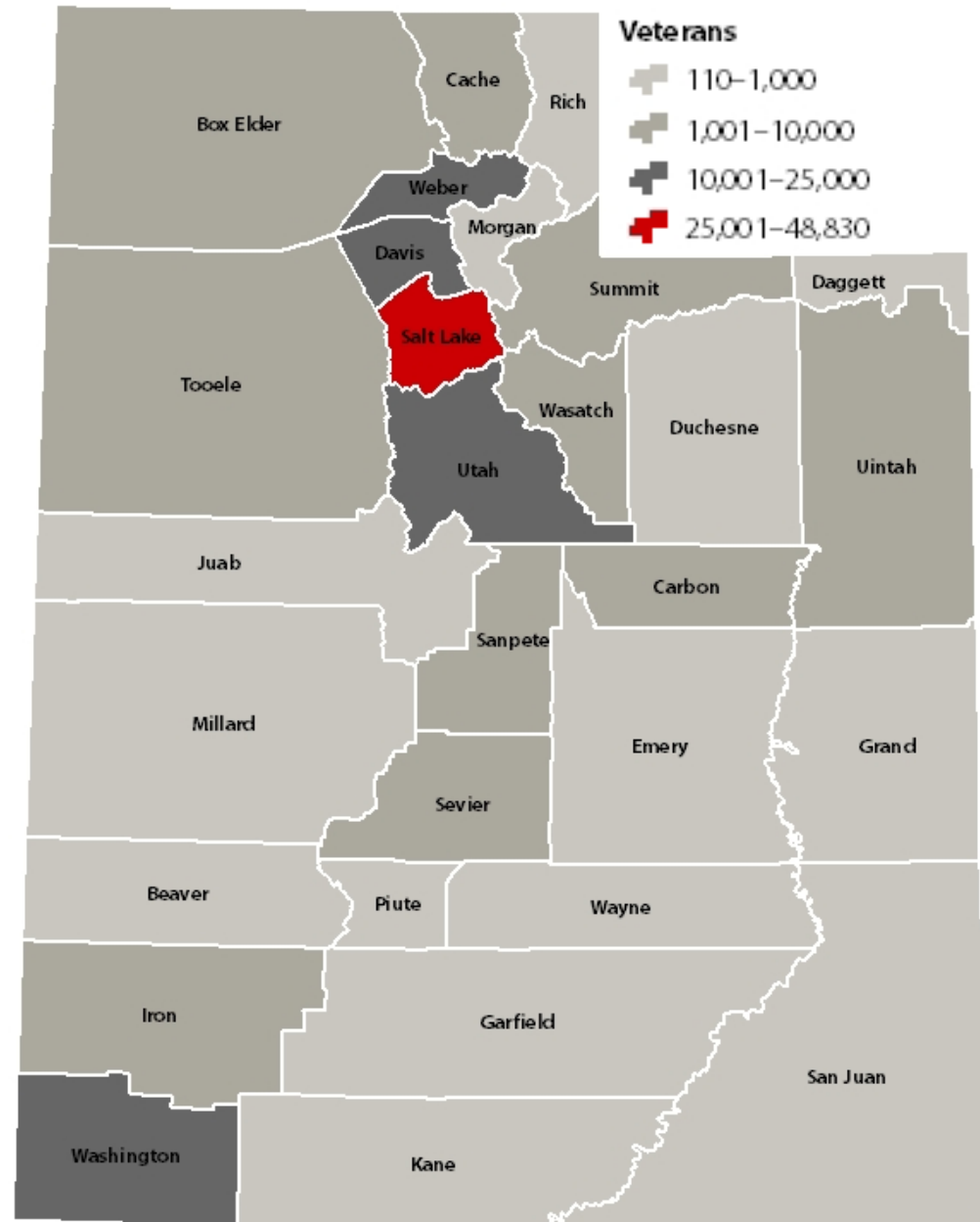
Category	Direct Federal	Indirect & Induced	Total
Jobs	550	614	1,164
Earnings	\$41.0	\$34.0	\$75.0
Gross Domestic Product			\$113.8

Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model
(see Table 4.3 on p. 15 of the report)

Tooele Army Depot employed 550 people and spent \$56.8 million in Utah during 2015.

Utah Veterans

- 150,904 veterans, of which 16,963 were military retirees
- Almost \$1.5 billion in benefits received
- Direct VA employment of 3,010, mostly in Salt Lake
- VA contracts & grants



Source: U.S. Department of Veterans Affairs, U.S. Department of Defense, U.S. Census Bureau (see Figure 7.1 on p. 22 of the report).

Federal spending for **veterans in Utah** supported 24,000 jobs and \$1.9 billion in GDP for Utah in 2015.

Table 5: Economic Impacts of Federal Spending for Veterans in Utah, 2015
(Millions of Dollars)

Category	Impact
Jobs	24,480
Earnings	\$1,437.8
Gross Domestic Product	\$1,891.9

Source: Gardner Policy Institute analysis using REMI PI+ model
(see Table 7.6 on p. 25 of the report)

During 2015, the VA employed 3,010 people in Utah. VA and DoD spending for Utah veterans was \$1.8 billion, including employee earnings, health care, pensions for veterans and military retirees, federal contracts & grants, and other expenditures.

Defense Contracts and Grants in Utah

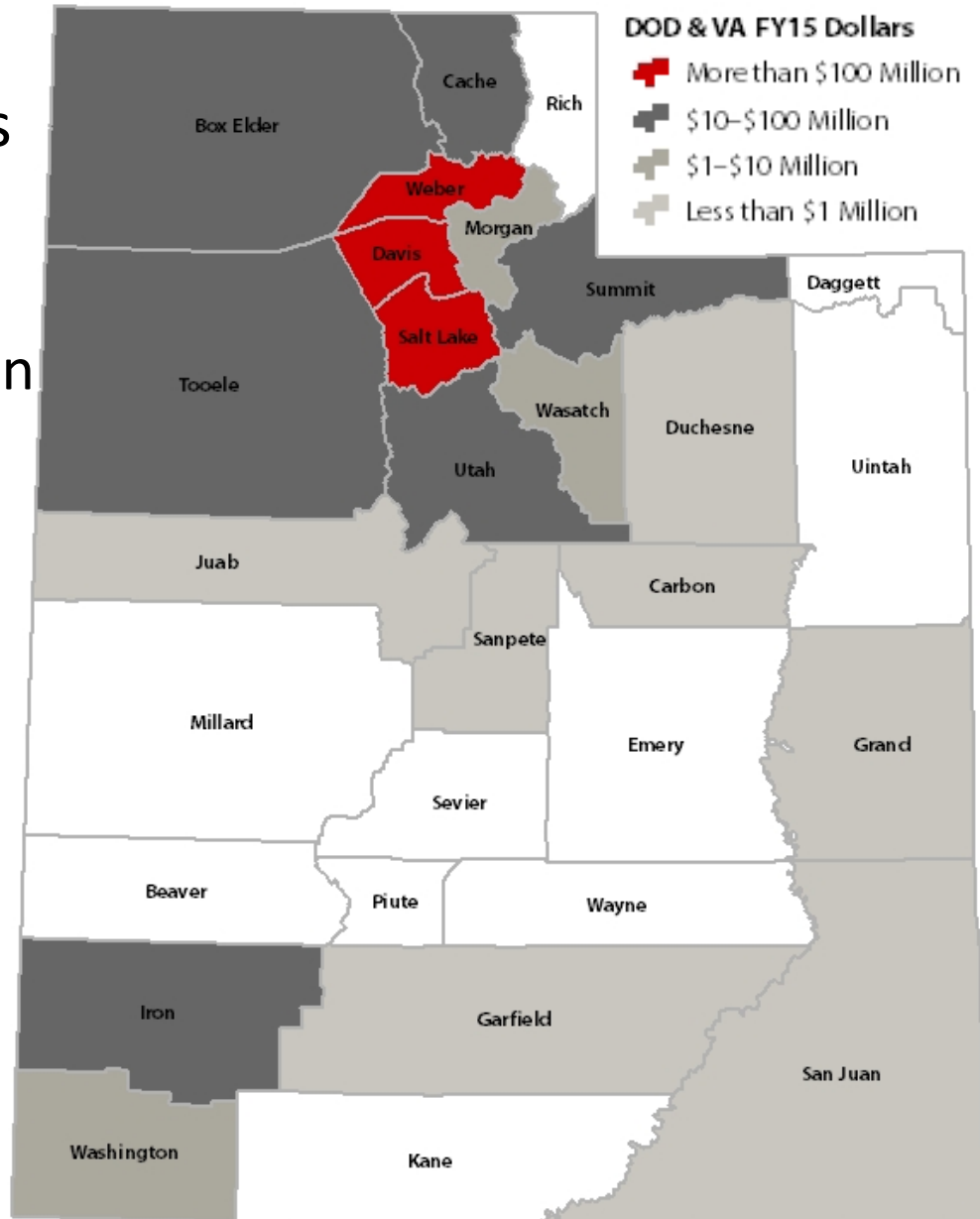
Amounts in 19 Counties

Top Three Counties:

- Salt Lake – \$831.4 million
- Davis – \$387.5 million
- Weber – \$111.5 million

Other WFEDD Counties:

- Tooele – \$43.0 million
- Morgan – \$2.5 million



Top 10 Defense Contractors

Table 6: Ten Largest DoD and VA Contractors in Utah, FY 2015 (Millions of Dollars)

Company	Amount	Share
L-3 Communications	\$334.6	22.1%
Orbital ATK	\$240.7	15.9%
Northrop Grumman	\$82.5	5.5%
Boeing	\$36.8	2.4%
Utah State University	\$32.7	2.2%
Rio Vista Management	\$29.6	2.0%
Unisys Corp.	\$29.6	2.0%
BioFire	\$28.9	1.9%
ImSAR	\$24.1	1.6%
Sverdrup Technology	\$21.9	1.4%
Total	\$861.5	56.9%

Note: Shares are of total FY15 DOD and VA contracts of \$1.5 billion.

Source: Gardner Policy Institute analysis of data from
USASpending.gov.
(see Table 8.5 on p. 29 of the report)

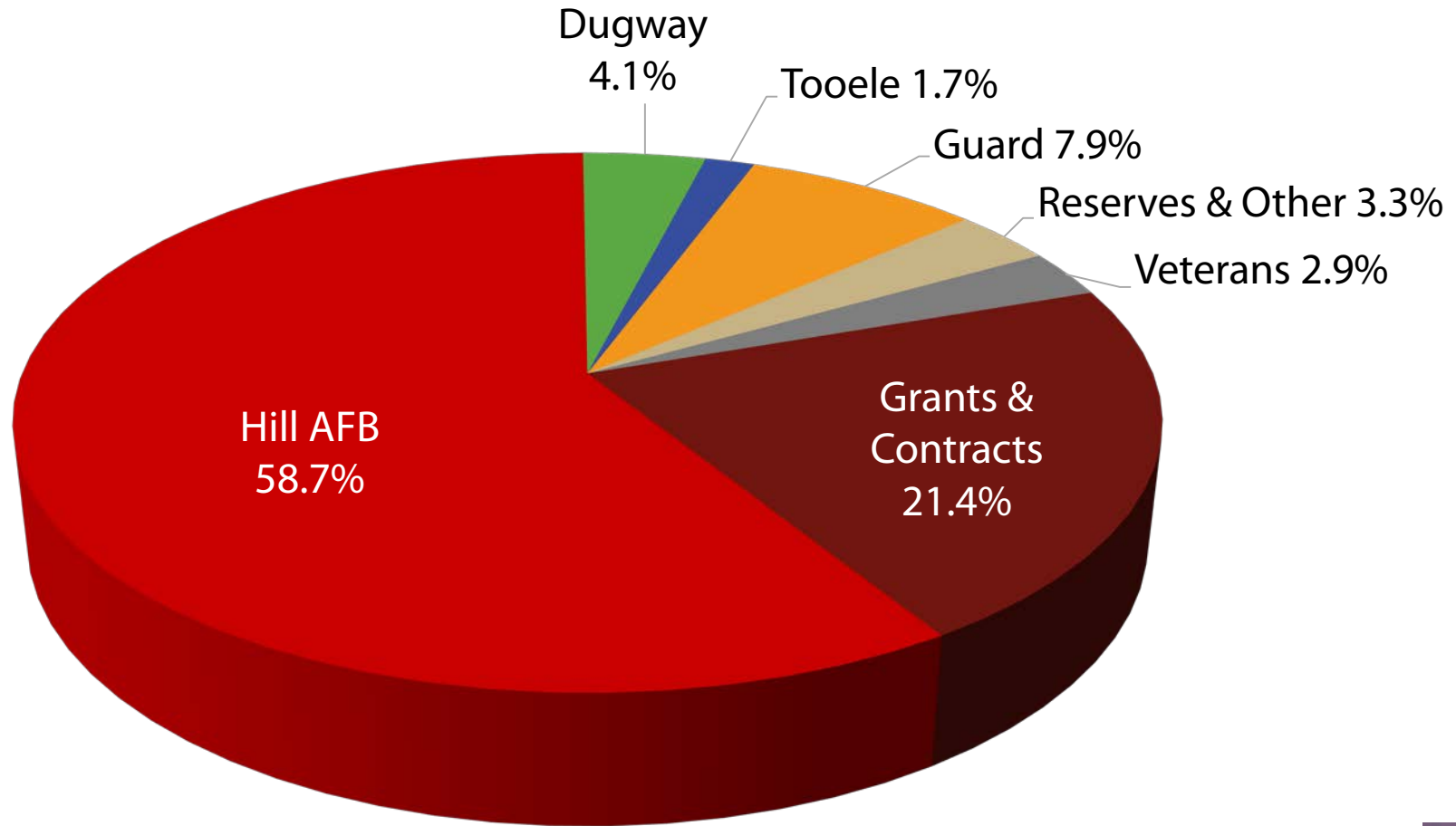
Fiscal Impacts: The defense sector directly and indirectly generated \$146.3 million in net state revenue.

Table 7: State Fiscal Impacts of Utah's Defense Sector, 2015
(Millions of Dollars)

Category	Impact
Revenue	\$387.7
Operating Expenditures	\$232.4
Net State Revenue	\$146.3

Source: Kem C. Gardner Policy Institute analysis. (see Table 2, p. 3 in report)

Components of \$146.3 Million in Net State Revenue from the Defense Sector in 2015



Full Report

Utah's Defense Sector: Economic Impacts of the Military and Veterans
John Downen and Levi Pace, Kem C. Gardner Policy Institute, March 2017
gardner.utah.edu/wp-content/uploads/DefenseReportFinal.pdf

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Additional Slides

Details on direct, indirect and induced economic impacts for each defense component, similar to the slide for Hill AFB with Table 2.

Economic Impact of Hill Air Force Base through 2040: Forecast and Simulation

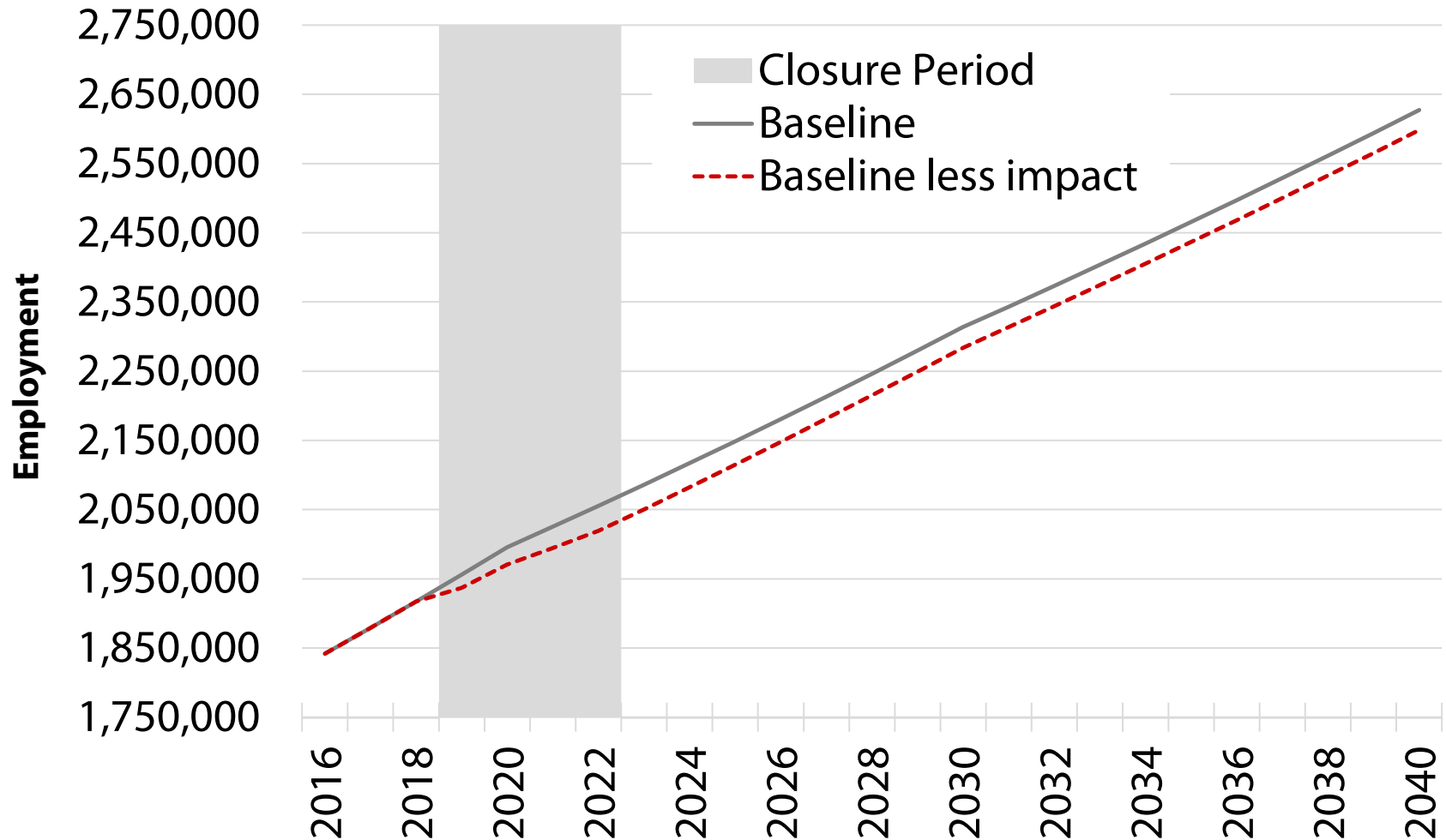
Statewide Losses Without Hill AFB

Table 8: Statewide Economic, Demographic and Fiscal Impacts from Hill AFB Closure Scenario
(Millions of Constant 2015 Dollars, Share of State Total)

Category	2023		2040	
Employment	-35,678	-1.7%	-28,712	-1.1%
Earnings	-\$2,926.5	-2.6%	-\$2,644.3	-1.8%
GDP	-\$3,899.5	-2.1%	-\$3,770.5	-1.5%
Population	-30,616	-0.9%	-53,830	-1.2%
State Tax Revenue	-\$155.5	NA	-\$172.8	NA
State Expenditures	-\$122.8	NA	-\$230.4	NA

Source: Kem C. Gardner Policy Institute analysis (see report Table 10.1, p. 37).

Statewide employment without Hill AFB: more than 35,000 jobs in 2023 and 28,000 jobs in 2040.



Losses in Davis County Without Hill AFB

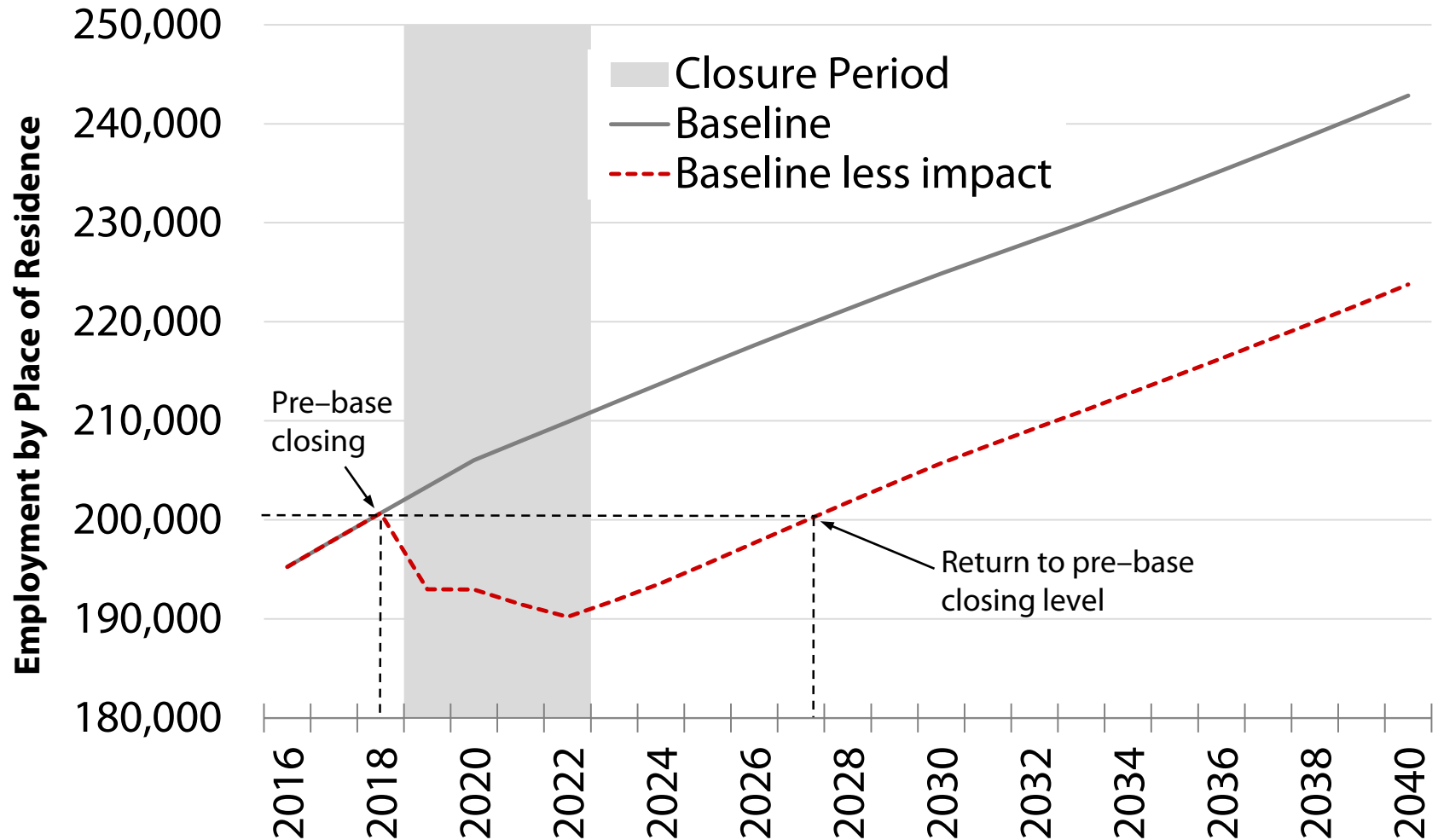
Table 9: Davis County Economic, Demographic and Fiscal Impacts of Hill AFB Closure Scenario
(Millions of Constant 2015 Dollars, Share of County Total)

Category	2023		2040	
Employment by Place of Residence	-20,004	-9.4%	-19,077	-7.9%
Earnings by Place of Residence	-\$1,670.6	-13.5%	-\$1,799.9	-11.3%
GDP	-\$2,877.3	-17.7%	-\$2,899.7	-13.4%
Population	-20,604	-5.6%	-40,594	-9.5%
Local Tax Revenue	-\$39.1	NA	-\$47.9	NA
Local Expenditures	-\$13.4	NA	-\$34.7	NA

Note: Employment and population impacts are relative to the GOMB 2012 baseline forecasts; earnings and GDP are relative to the REMI PI+ baseline.

Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model and Gardner Policy Institute fiscal model.

Davis County residential employment without Hill AFB: –20,000 jobs in 2023, –19,100 jobs in 2040



Losses in Weber County Without Hill AFB

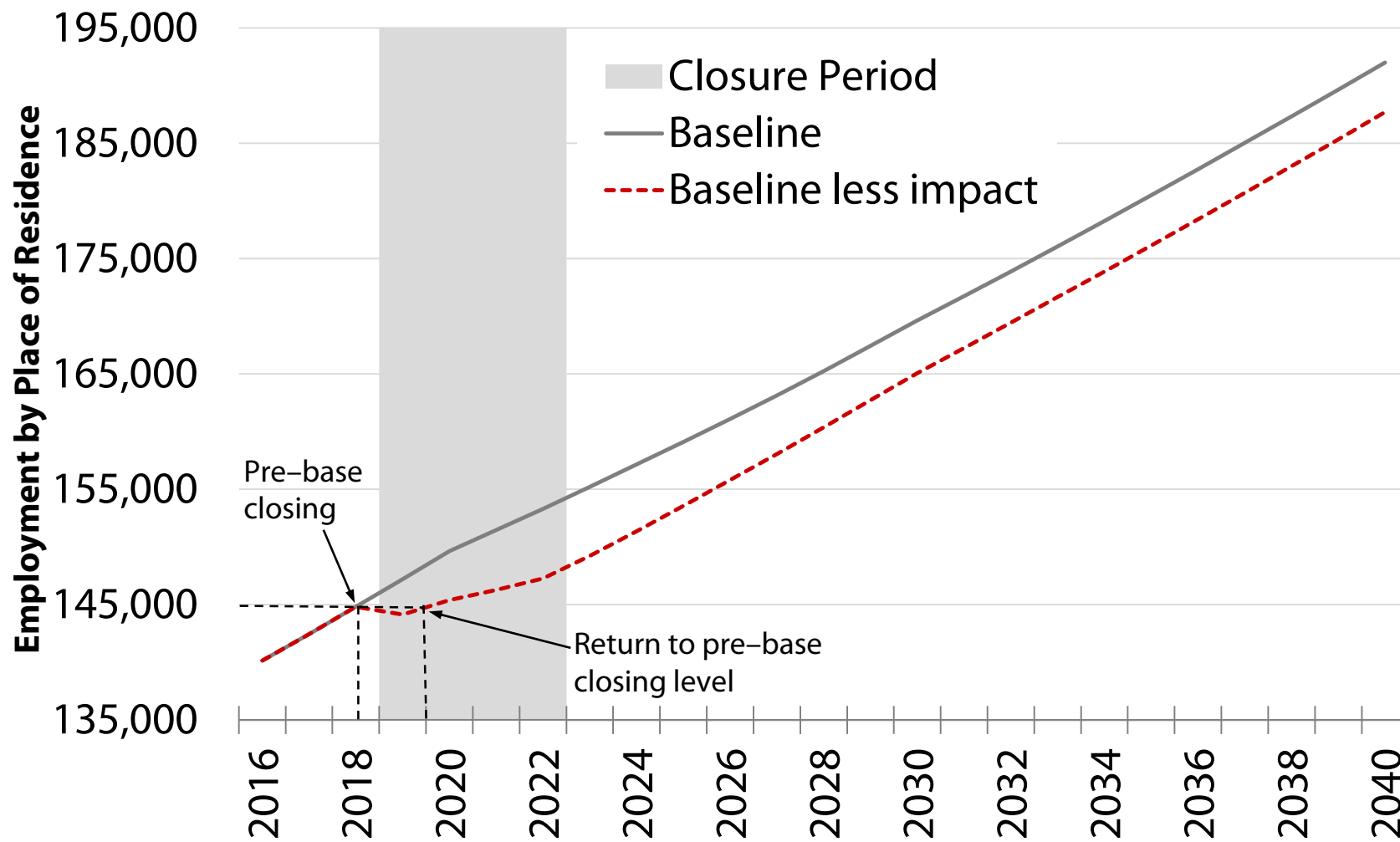
Table 10: Weber County Economic, Demographic and Fiscal Impacts of Hill AFB Closure Scenario
(Millions of Constant 2015 Dollars, Share of County Total)

Category	2023		2040	
Employment by Place of Residence	-5,967	-3.8%	-4,290	-2.2%
Earnings by Place of Residence	-\$506.2	-7.1%	-\$454.7	-5.0%
GDP	-\$348.9	-3.0%	-\$328.3	-2.1%
Population	-5,392	-2.0%	-8,588	-2.5%
Local Tax Revenue	-\$12.4	NA	-\$13.0	NA
Local Expenditures	-\$4.1	NA	-\$7.9	NA

Note: Employment and population impacts are relative to the GOMB 2012 baseline forecasts; earnings and GDP are relative to the REMI PI+ baseline.

Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model and Gardner Policy Institute fiscal model.

Weber County residential employment without Hill AFB: –6,000 jobs in 2023, –4,300 jobs in 2040



Reserves, recruiting, and ROTC supported over 6,700 jobs and \$340 million in GDP for Utah in 2015.

Table 10: Economic Impacts of Reserves, Recruiting and ROTC, 2015 (Millions of Dollars)

Category	Direct Federal	Indirect & Induced	Total
Jobs	4,462	2,284	6,746
Earnings	\$73.7	\$125.5	\$199.2
Gross Domestic Product			\$339.8

Note: This slide does not include 1,128 military and 214 civilian reserve employees at Hill AFB or 106 military and 6 civilian recruiters at Hill AFB and the Utah National Guard. They are all included in Hill and Guard impacts, respectively.

Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model (see report, Table 6.2, p. 11 for reserves; Table 6.5, p. 20 for recruiting, Table 6.9, p. 21 for ROTC)

Reserves: 3,978 reservists and active-duty, 185 civilians
Recruiting: 183 military and 47 civilians
ROTC: 54 military and 15 civilians

Additional contracts and grants supported 13,600 jobs and \$1.2 billion in GDP for Utah in 2015.

Table 12: Economic Impacts of Other Contracts and Grants to Utah Recipients, 2015
(Millions of Dollars)

Category	Impact
Jobs	13,635
Earnings	\$816.8
Gross Domestic Product	\$1,230.4

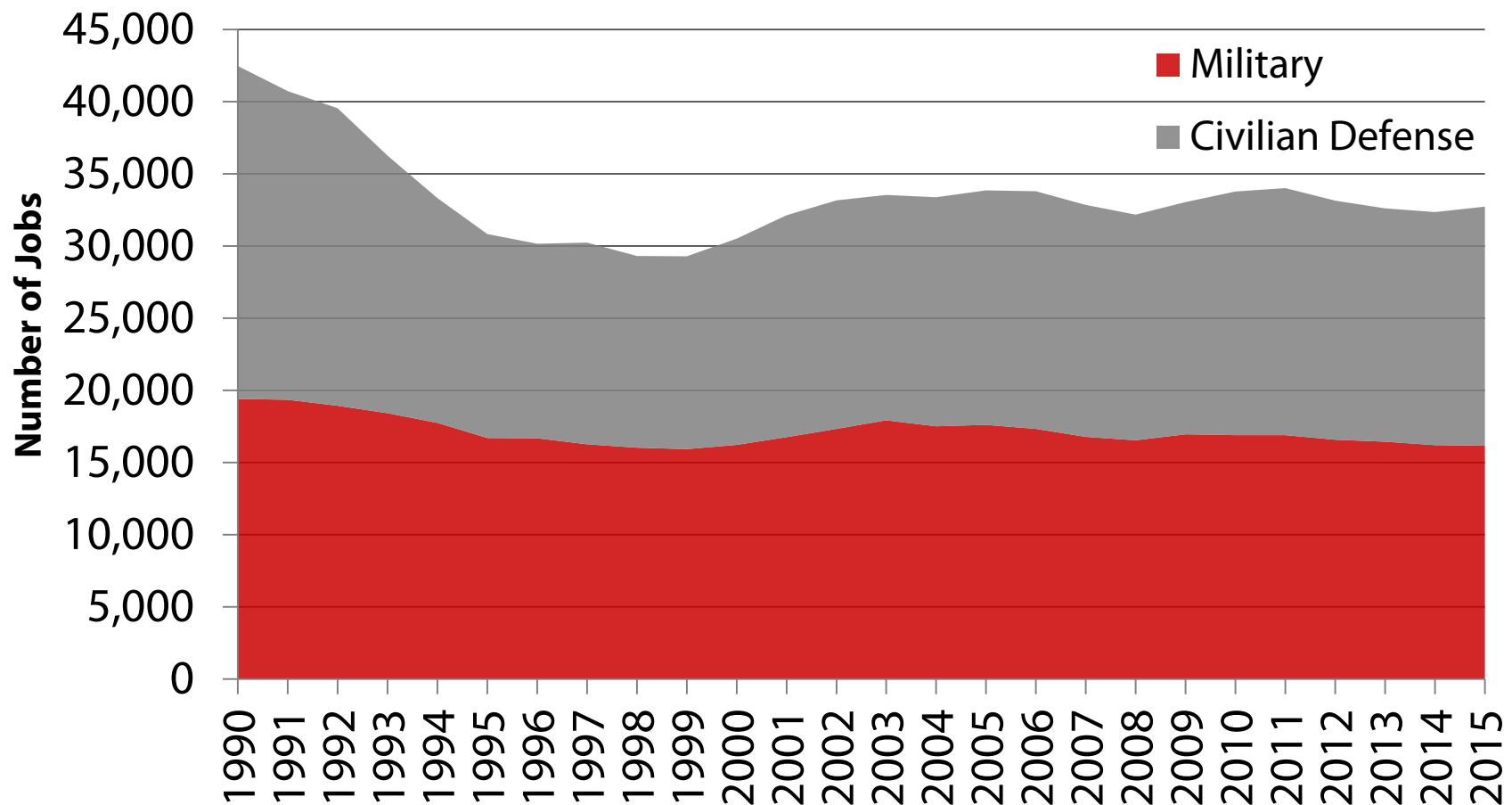
Only includes DoD and VA contracts and grants that were not included in the analysis for veterans, Utah National Guard, or any military installation.

Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model (see report, Table 8.9, p. 30 for grants; Table 8.13, p. 32 for contracts)

The DoD and VA provided \$891.4 million in contracts and grants to Utah recipients in 2015, in addition to those included in economic impacts for veterans, the Guard or any Utah military installation.

Historical Trends in Federal Defense Employment

Defense employment has been fairly stable in Utah since 2000, with a slight decline in military personnel and a somewhat larger increase in civilian defense jobs.



Utah's non-defense employment has grown faster than its defense employment.

