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Sent: Wednesday, January 23, 2008 9:58 PM
To: susan@swvchamber.org
Subject: Economic Review -- Economic news and information from EDCUtah

EDCUTAH Economic Review

Jan. 23, 2008 A Publication of the [Economic Development Corporation of Utah](#)



PRESIDENT'S MESSAGE

2008 Economic Report Provides Insight Into Utah's Future

The Governor's Economic Advisors, in partnership with Office of Planning and Budget, have presented the 2008 Economic Report to the Governor. This report has served as a source of information about Utah's economy for more than two decades. This week's feature article provides an overview of the report and insight into what's ahead for Utah.

In addition, today's Economic Review also includes links to many of the ED-related news stories from the past week. As always, if you have comments, suggestions or topics you'd like to see in the Economic Review, please contact us by clicking the "Comments" button on the bottom of this page.

Enjoy!

Jeff Edwards
President and CEO

FEATURE

2008 Economic Report to the Governor Predicts Continued Strong

IN THE NEWS

Economic Development Headlines from the Past Week

Outdoor Retailer Winter Tradeshow Generates \$15 Million Economic Impact on Salt Lake

- The Outdoor Industry Association and over 17,000 manufacturers, retailers and suppliers to the Outdoor Industry will fill Salt Lake City's Salt Palace Convention Center next week during the annual Outdoor Retailer Winter Market Tradeshow, creating more than \$15 million in direct economic impact to Salt Lake. ([First Tracks Online](#))

Economy strongest in nation for 2008

- Utah is entering 2008 with the strongest economy in the nation, according to Jeff Thredgold, economic consultant at Zions Bank. "While the state's job creation pace has slowed somewhat in recent months, it remains more than three times stronger than the current U.S. job creation pace," he said. ([Clipper Today](#))

UVSC launches Orem incubator

- Helping entrepreneurs get plugged into the latest intellectual property developments at Utah's top research universities is one reason why Steve Roy of USTAR is considering expanding to a new business incubator started by Utah Valley State College in Orem. ([Daily Herald](#))

Stadium rising: \$110 million project pushing for September opening

- The only roar soccer fans will hear these days at Real Stadium is the whir and spark of welding crews, the bellow of massive propane heaters and the scraping of heavy construction tools. But on a tour of the stadium's construction site, officials told the Deseret Morning News that the cheers of the crowd aren't too far away. After all, they say, the \$110 million project is more than halfway complete. ([Morning News](#))

Economic Growth in Utah

Despite a slowdown nationally, Utah's economy remains one of the strongest in the nation and its prospects for 2008 continue to be optimistic. That's the word Utah Governor Jon Huntsman received last week from his Council of Economic Advisors in its 22nd Annual Economic Report.

Looking Back

2007 was a year for the record books in many respects. Consider these highlights from the 268-page report:

- More people made Utah their home in 2007 than ever before. With an influx of nearly 85,000 people the state experienced the largest single year population growth in its history. What's more, Juliette Tennert, chief economist in the Governor's Office of Planning and Budget, says 2007 marked the first time this decade Utah has ranked in the top three states in population growth.
- Utah had the nation's highest job growth rate, adding 55,000 jobs in 2007--an average of 150 jobs per day--with the largest percentages of those jobs added in natural resources and mining, and construction.
- Non-residential construction reached historic highs, while home construction weakened.
- Utah's average annual nonagricultural pay was \$36,500 in 2007, up 5.5% over the previous year. For the fourth year in a row, wage growth in Utah exceeded inflation, improving Utah's standard of living.
- The Beehive State's home price appreciation was the highest in the nation and Utah was one of only two states to reach double-digit appreciation.
- For the fourth consecutive year, the Utah ski industry experienced an all-time record in terms of skier visits; hotel occupancies were also up and visitation increased at both state and national parks. Meanwhile, total traveler spending in Utah was an estimated \$6 billion in 2007, a 2.3% increase from the previous year.
- Utah's merchandise exports grew from \$6.8 billion in 2006 to an estimated \$7.2 billion in 2007, an increase of 5.9%.

In addition to recording strong economic numbers, new firm openings and major expansions of existing firms of 100 or more workers in 2007 included:

- Adam Aircraft Industries (business jet manufacturing)
- Affiliated Computer Services Inc. (call center)
- Amer Winter & Outdoor U.S. (ski equipment headquarters)
- Backcountry.com (outdoor retailer and distributor)
- Comcast (cable TV and Internet service)
- Dannon Co. (yogurt products)
- Fresenius Medical Care (dialysis products)
- Hunter Douglas (window coverings)IKEA (home furnisher)
- IM Flash Technologies (flash memory)
- KraftMaid Cabinetry (cabinets)

State needs to promote self better

- George Tobjy, senior manager for strategic relocation and expansion services for KPMG LLP, and Terry L. Hansen, manager of public partnerships for IBM, told the Governor's Office of Economic Development Board on Friday that Utah needs to "refine its message" as it promotes itself and its incentives packages. ([Morning News](#))

Bureau gets new board, reviews tourism for 2007

- The Davis Area Convention & Visitors Bureau board was introduced Friday, minus a commissioner. Attendees also got a sneak preview of the CVB's new video it will put on its Web site, www.davisareacvb.com. The video shows visitors what Davis County has to offer, including the Great Salt Lake, Antelope Island, Lagoon, nine golf courses, Davis Events Center, the South Davis Recreation Center, Davis Conference Center and the county's close proximity to 10 ski resorts. ([Standard Examiner](#))

Defining downtown: Various groups draw different boundaries

- The way Utah residents define Salt Lake City's downtown is evolving beyond the blocks around Main Street and Temple Square. These days, downtown — depending on who defines it — can span as far east as the University of Utah, as far west the Jordan River, north to Temple Square and south to 1300 South. ([Morning News](#))

Film commission seeks higher cap for incentives

- The Utah Film Commission wants to eliminate a \$500,000-per-project cap on film incentives as a way to lure more big-budget movie production to the state. ([Morning News](#))

Will Delta get a tax break?

- Leading Utah legislators are talking about giving Delta Air Lines a multimillion-dollar income tax break in an effort to keep the airline's valuable hub at the Salt Lake City International Airport as Delta talks to other airlines about possible mergers. ([Morning News](#))

Layton eager to host new furniture store

- Having 32,000 square feet of building space on Main Street reoccupied excites Layton leaders almost as much as bringing the nation's No. 1 furniture manufacturer to Davis County. Ashley Furniture HomeStore, of Arcadia, Wis., is about ready to begin moving furniture and accessories into its newest location, at 1070 N. Main St. ([Standard-Examiner](#))

U says programs will boost economy

- In an attempt to reach beyond the boundaries of the U campus and build up the state economy, the U will petition the Utah State Legislature for money to fund programs that will help expand regional economic development. ([Daily Utah Chronicle](#))

- MedQuist (medical transcription)
- MountainStar Healthcare (hospital)
- Orgill Inc. (home improvement products)
- Sorenson Communications (IP relays)
- Spring Canyon Energy (natural gas power plant)
- St. Regis (five-star hotel and condos)
- Viracon (glass products)
- West Liberty Foods LLC (meat processor).

Looking Forward

Utah's economic growth will moderate during 2008, but is still expected to remain strong. The economic report predicts:

- Employment growth will be 3.2%--still four times the national growth rate.
- Population growth will be 3.1% and net in-migration will remain strong at 41,000 as Utah's economy continues to outperform the national economy.
- The unemployment rate will remain below 3.0% due to a tight labor market.
- Replicating the trend of the 1990s, wages will increase faster than inflation during 2008 (for the fifth consecutive year), thus improving Utah's standard of living.
- Nonresidential construction will continue to remain at record highs due to continued business, religious, and government projects.
- Construction employment growth is expected to moderate due to a slowdown in single-family residential construction.

The Economic Report to the Governor is the preeminent source of information about Utah's economy. The report provides information to elected officials, business leaders, and citizens, which highlights Utah's economic conditions of the past, present, and future. The Council of Economic Advisors provides guidance for the contents of the report. The executive summary and full report can be found on the Governor's [website](#).

CALENDAR

Feb. 8-10: Site Selector Event (Sundance Resort)
Feb. 20: Board (Westminster)

Mar. 19: Executive Committee (EDCUtah)
Mar. 20: Governor's Economic Summit (Grand America)
Mar. 26: Quarterly Update

April 1-3: JEC (Paris)
April 14-16: SME (Salt Lake City)
April 16: Executive Committee (EDCUtah)

May 4-7: CoreNet (San Diego)
May 18-21: ICSC (Las Vegas)
May 18-22: SAMPE (Long Beach)
May 21: Board

June 4: Golf Tournament (Wasatch Mountain)

Utah Job Growth Slowing

- Employment figures released Tuesday by Utah's Department of Workforce Services indicate the state's impressive job growth slowed slightly in December. And, the department's chief economist, Mark Knold, says the downward trend will likely continue, fueled by a slow-down in the state's housing market. But it is not certain yet, whether the slow-down will affect other industries as well. ([KCPW](#))

Drug maker to bring jobs with move to SLC plant

- Cephalon Inc., a Pennsylvania drug maker, will close a Minnesota plant and move its manufacturing operations and about 80 jobs to its Salt Lake City plant. ([SL Tribune](#))

Plans for Cottonwood Mall leap forward

- The cavernous Cottonwood Mall took a leap toward becoming a bustling European-style village Tuesday, as Salt Lake County and the Granite School District pledged more than \$70 million combined to help revitalize the vacant mall. ([Morning News](#)) ([SL Tribune](#))

RDA vote may solidify Granite

- Might the Granite Board of Education's vote to invest future tax dollars to revamp the Cottonwood Mall property stem efforts to split the school district? ([Morning News](#))

Utah economy slows; recession is possible

- The state's year-over-year job growth rate slipped 0.3 percent to 3.6 percent as the state added about 44,800 jobs during that time. Utah's seasonally adjusted unemployment rate grew to 3.2 percent — up 0.6 percent from a year earlier and 0.4 percent from November's level. About 43,700 Utahns were unemployed in December, compared to 34,000 a year earlier, according to numbers released Tuesday by the Utah Department of Workforce Services. ([Morning News](#)) ([Standard Examiner](#))

Granite board OKs 3 more projects

- The Granite Board of Education also gave the nod Tuesday to three other RDA-like projects in West Valley, South Salt Lake and Taylorsville. ([Morning News](#))

Dew Tour brings Utah \$12 million

- Boards and bikes meant big bucks for Utah last September. The three-day AST Dew Tour stop in Salt Lake City — featuring six major skateboarding, bicycle and freestyle motocross events — had an estimated economic impact of more than \$12 million, according to figures released Friday by the tour and the Utah Sports Commission. ([Morning News](#))

Salt Lake sits atop Forbes' list of 'Best Cities for Jobs'

- Salt Lake City is at the top of Forbes.com's rankings of "Best Cities for Jobs" in the United States in 2008. Salt Lake was followed by Wichita, Kan.; Austin,

June 9-12: AUVSI (San Diego)
June 17-20: BIO (San Diego)
June 18: Executive Committee (EDCUtah)
June 25: Quarterly Update (Thanksgiving Pointe)

Aug. 6: OIA Thought Leader

Sept. 13-17: IAMC (Oklahoma)

Oct. 9-12: CoreNet (Orlando)
Oct. 22: Quarterly Update

Dec. 17: Holiday Open House (EDCUtah)

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Texas; Atlanta; and Fort Worth, Texas. ([Morning News](#))

Delta Hits the Slopes with USSA as Official Airline Sponsor

- Delta Air Lines announced a four-year agreement making it the official airline of the U.S. Ski and Snowboard Association (USSA). ([Utah Business Magazine](#))

University of Utah Students To Receive \$10,000 in Opportunity Quest Business Innovation Competition

- The Opportunity Quest business innovation competition concludes this Friday afternoon with the awarding of \$10,000 to select University of Utah students for their innovative and original business ideas. ([Utah Business Magazine](#))

More Small Businesses to Seek Additional Credit in 2008 Says Small Business Research Board Study

- More small business will seek to increase their loan levels or lines of credit during 2008 according to the latest nationwide Small Business Research Board (SBRB) study. ([Utah Business Magazine](#))

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