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Table of Contents

Chapter 1: Local and Economic Base Analysis

1.0 | The Region ..........................................................................................................................1

1.1 | Demographics and Lifestyles ..........................................................................................2

1.1.1 | Demographic Summary ..................................................................................................2

1.1.1.A | Population ..................................................................................................................2

1.1.1.B | Households ..................................................................................................................4

1.1.1.C | Income ..........................................................................................................................4

1.1.1.D | Implications of Current Trends ..................................................................................5

1.1.2 | Lifestyle Preferences ......................................................................................................6

1.1.2.A | Introduction to Geodemographics .............................................................................6

1.1.2.B | Moscow’s Lifestage Groups .....................................................................................6

1.1.2.C | Moscow’s Lifestyle Segments ..................................................................................9

1.1.2.D | Implications of Moscow’s Geodemographics .........................................................10

1.2 | Key Economic Indicators ...............................................................................................10

1.2.1 | Employment ..................................................................................................................10

1.2.1.A | Size of the Labor Force .............................................................................................10

1.2.1.B | Unemployment ............................................................................................................10

1.2.1.C | Underemployment ......................................................................................................11

1.2.1.D | Major Employers .........................................................................................................12

1.2.2 | University of Idaho .......................................................................................................12

1.2.2.A | The University as an Economic Indicator ..................................................................12

1.2.2.B | Enrollment ..................................................................................................................13

1.2.3 | Washington State University .......................................................................................14

1.2.4 | Construction ..................................................................................................................15

1.2.5 | Healthcare ......................................................................................................................16

1.2.5.A | Gritman Medical Center ..........................................................................................16

1.2.5.B | Other Healthcare .........................................................................................................16

1.2.6 | Manufacturing .................................................................................................................16

1.2.7 | Information .....................................................................................................................16

1.2.8 | Agriculture and Forestry .............................................................................................17

1.2.9 | Tourism ..........................................................................................................................18

1.2.10 | Retail ...............................................................................................................................18
### 1.3 | Opportunities and Challenges to Business Recruitment and Development

<table>
<thead>
<tr>
<th>1.3.1</th>
<th>Opportunities</th>
<th>18</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3.1.A</td>
<td>University of Idaho</td>
<td>18</td>
</tr>
<tr>
<td>1.3.1.B</td>
<td>Business Technology Incubator</td>
<td>19</td>
</tr>
<tr>
<td>1.3.1.C</td>
<td>Urban Renewal Districts</td>
<td>20</td>
</tr>
<tr>
<td>1.3.1.D</td>
<td>Latah Economic Development Council</td>
<td>21</td>
</tr>
<tr>
<td>1.3.1.E</td>
<td>Clearwater Economic Development Association</td>
<td>22</td>
</tr>
<tr>
<td>1.3.1.F</td>
<td>Moscow Chamber of Commerce</td>
<td>22</td>
</tr>
<tr>
<td>1.3.1.G</td>
<td>Palouse Knowledge Corridor</td>
<td>23</td>
</tr>
<tr>
<td>1.3.1.H</td>
<td>The Arts</td>
<td>24</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.3.2</th>
<th>Challenges</th>
<th>24</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3.2.A</td>
<td>Image</td>
<td>24</td>
</tr>
<tr>
<td>1.3.2.B</td>
<td>Land</td>
<td>24</td>
</tr>
<tr>
<td>1.3.2.C</td>
<td>Income</td>
<td>25</td>
</tr>
</tbody>
</table>

### 1.4 | Summary of Perceptions of Market Opportunities and Challenges

<table>
<thead>
<tr>
<th>1.4.1</th>
<th>Stakeholder Meetings and Surveys</th>
<th>25</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4.2</td>
<td>Perceptions</td>
<td>26</td>
</tr>
<tr>
<td>1.4.2.A</td>
<td>Perceived Market Opportunities</td>
<td>26</td>
</tr>
<tr>
<td>1.4.2.B</td>
<td>Perceived Market Challenges</td>
<td>27</td>
</tr>
</tbody>
</table>

### 1.5 | Potential Target Business Sectors

<table>
<thead>
<tr>
<th>1.5.1</th>
<th>Generally</th>
<th>27</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5.2</td>
<td>Arts, Entertainment, and Recreation</td>
<td>28</td>
</tr>
<tr>
<td>1.5.3</td>
<td>Engineering</td>
<td>29</td>
</tr>
<tr>
<td>1.5.4</td>
<td>Biological and Environmental Sciences</td>
<td>29</td>
</tr>
<tr>
<td>1.5.5</td>
<td>Healthcare and Services for the Elderly</td>
<td>30</td>
</tr>
<tr>
<td>1.5.6</td>
<td>Management</td>
<td>30</td>
</tr>
<tr>
<td>1.5.7</td>
<td>Tourism</td>
<td>31</td>
</tr>
</tbody>
</table>

### 1.6 | Regulatory and Development Approval Environment

<table>
<thead>
<tr>
<th>1.6.1</th>
<th>Zoning and Economic Development</th>
<th>31</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6.1.A</td>
<td>Generally</td>
<td>31</td>
</tr>
<tr>
<td>1.6.1.B</td>
<td>“Over-Zoning” and “Under-Zoning”</td>
<td>31</td>
</tr>
<tr>
<td>1.6.1.C</td>
<td>Relationship to New Comprehensive Plan</td>
<td>32</td>
</tr>
<tr>
<td>1.6.2</td>
<td>Analysis by Zoning District</td>
<td>32</td>
</tr>
<tr>
<td>1.6.2.A</td>
<td>Residential/Office District</td>
<td>32</td>
</tr>
<tr>
<td>1.6.2.B</td>
<td>Neighborhood Business District</td>
<td>33</td>
</tr>
</tbody>
</table>
Chapter 2: The Retail and Non-Retail Trade Sector

2.0 | Introduction .................................................................45
2.1 | Retail Trade by Major Categories..................................................46
   2.1.1 | Generally ...........................................................................46
   2.1.1.A | Overall Retail Performance in Moscow .....................................46
   2.1.1.B | Regional Retail Performance ..................................................46
   2.1.2 | Retail Performance by Major Category ......................................47
2.2 | Retail Development Strategy ....................................................48
   2.2.1 | Generally ............................................................................48
   2.2.2 | Motor Vehicles and Parts Dealers ..............................................50
   2.2.2.A | Development Strategy ..........................................................50
   2.2.2.B | Automotive Dealers ...............................................................50
   2.2.2.C | Other Motor Vehicle Dealers ................................................51
   2.2.2.D | Auto Parts ........................................................................52
   2.2.3 | Non-Store Retailers ...............................................................52
   2.2.3.A | Development Strategy ..........................................................52
   2.2.3.B | Electronic Shopping, Mail Order Houses ...................................52
   2.2.3.C | Direct Selling Establishments ...............................................53
2.2.4 | Building Material and Garden Equipment Stores ..............................53
   2.2.4.A | Development Strategy ..........................................................53
   2.2.4.B | Home Centers ....................................................................54
   2.2.4.C | Paint and Wallpaper Stores ..................................................54
   2.2.4.D | Hardware Stores .................................................................54
# Table of Contents

2.2.4.E | Other Building Materials Dealers ................................................................. 55  
2.2.4.F | Outdoor Power Equipment ............................................................................... 55  
2.2.4.G | Nursery and Garden Centers ........................................................................... 55  
2.2.5 | General Merchandise Stores ................................................................................ 55  
2.2.5.A | Development Strategy ................................................................................... 55  
2.2.6 | Clothing and Clothing Accessories Stores ........................................................... 56  
2.2.6.A | Development Strategy ................................................................................... 56  
2.2.6.B | Women's Clothing ........................................................................................... 56  
2.2.6.C | Family Clothing .............................................................................................. 57  
2.3 | Gaining Competitive Advantage ............................................................................ 57  
2.3.1 | Generally .................................................................................................................. 57  
2.3.1.A | Jobs-Housing Balance .................................................................................... 58  
2.3.1.B | “The Place to Be” for Retail ........................................................................... 58  
2.3.1.C | Land .................................................................................................................. 60  
2.3.1.D | Organization ................................................................................................... 61  
2.3.1.E | Palouse Mall ..................................................................................................... 63  
2.3.1.F | Highway Commercial .................................................................................... 64  
2.3.1.G | Downtown ....................................................................................................... 64  
2.4 | Conclusion ............................................................................................................. 66  

Chapter 3: The Industrial Sector Report  
3.0 | Industrial and Business Park Base ........................................................................ 67  
3.0.1 | Generally............................................................................................................. 67  
3.0.2 | Industrial Base .................................................................................................. 67  
3.0.3 | Business Park ................................................................................................... 69  
3.1 | Recruitment and Development Targets and Strategies ...................................... 69  
3.1.1 | Methodology ...................................................................................................... 69  
3.1.1.A | Overview of Shift-Share Analysis .................................................................. 69  
3.1.1.B | Overview of Location Quotient Analysis ....................................................... 70  
3.1.2 | Target Industries ............................................................................................... 70  
3.1.2.A | Generally ......................................................................................................... 70  
3.1.2.B | Manufacturing ............................................................................................... 71  
3.1.2.C | Research and Development ......................................................................... 71  
3.1.2.D | Testing Laboratories ...................................................................................... 72  
3.1.2.E | Other Professional and Technical Services ................................................. 72  
3.1.2.F | Other Industries ............................................................................................... 73
3.2 | Identification of Potential Areas for a Business Park
and Light Industrial Development ..................................................74

3.2.1 | Alternative Areas for Business Park and Light Industrial Development ....74
3.2.1.A | Generally ..........................................................................................................74
3.2.1.B | Industrial ..........................................................................................................74
3.2.1.C | Business Park ..................................................................................................75
3.2.2 | General Suitability Analysis .............................................................................75
3.2.2.A | Access ...............................................................................................................75
3.2.2.B | Topography ......................................................................................................75
3.2.2.C | Utility Service ..................................................................................................76
3.2.2.D | Telecommunications ......................................................................................77
3.2.2.E | Adjacent Land Use Compatibility ................................................................77
3.2.2.F | Natural Resources ...........................................................................................77

3.3 | Planning Level Infrastructure Needs Assessment ........................................78
3.3.1 | Streets .........................................................................................................................78
3.3.2 | Stormwater ................................................................................................................78
3.3.3 | Water and Sewer ....................................................................................................78

3.4 | Recommendations for Key Development Elements and
Standards for Future Consideration ................................................78

Chapter 4: Constraints, Opportunities, and Alternatives

4.0 | Introduction ..............................................................................................................81
4.0.1 | Generally ............................................................................................................81
4.0.2 | Economic Development Objectives .......................................................................81
4.0.2.A | What Residents Want .....................................................................................81
4.0.2.B | Framing the Strategy ......................................................................................81
4.0.3 | The Creative Class ...................................................................................................83
4.0.3.A | Generally ..........................................................................................................83
4.0.3.B | What the Creative Class Wants .....................................................................83
4.0.3.C | The Creative Class in Latah County and Moscow ........................................84
4.0.3.D | Using the Hypothesis ....................................................................................85

4.1 | Constraints and Opportunities .................................................................................89
4.1.1 | Access to Convenient Transportation ................................................................89
4.1.2 | Transportation and Transit ..................................................................................90
4.1.2.A | Transportation Mode Share .............................................................................90
4.1.2.B | Transit ..............................................................................................................90
4.1.3 | Housing .......................................................................................................................91
4.1.4 | Infrastructure .............................................................................................................92
  4.1.4.A | Existing Streets, Sidewalks and Pathways ..................................................92
  4.1.4.B | Existing Water and Sewer Service ................................................................92
  4.1.4.C | Power ................................................................................................................93
  4.1.4.D | Planned Infrastructure ..................................................................................94
4.1.5 | Public Services ...........................................................................................................96
  4.1.5.A | Law Enforcement ...........................................................................................96
  4.1.5.B | Fire Protection .................................................................................................96
4.1.6 | Telecommunications ..................................................................................................96
4.1.7 | Capital .........................................................................................................................98
  4.1.7.A | The Public Sector ............................................................................................98
  4.1.7.B | The Private Sector ...........................................................................................99

4.2 | Alternative Strategies for Economic Development ....................100
  4.2.1 | Managing Expectations...........................................................................................100
  4.2.2 | City-University Synergy .........................................................................................100
  4.2.3 | Economic Development Scenarios ........................................................................101
  4.2.4 | The “As-Is” Scenario ................................................................................................101
  4.2.5 | The “Least Regret” Alternative Scenario ..............................................................102
    4.2.5.A | Generally ...............................................................................................................102
    4.2.5.B | Highlights ......................................................................................................102
    4.2.5.C | Proactive Rezoning .......................................................................................103
    4.2.5.D | Redevelopment .............................................................................................103
    4.2.5.E | University / Palouse Knowledge Corridor ................................................103
    4.2.5.F | Arts ..................................................................................................................104
    4.2.5.G | Business-Oriented Programming ..............................................................104
  4.2.6 | Risk-Tolerant Alternative Scenario ........................................................................105
    4.2.6.A | Generally ...............................................................................................................105
    4.2.6.B | Highlights ......................................................................................................106
    4.2.6.C | Fiber Optic Network / Broadband .............................................................106
    4.2.6.D | Expansion of Alturas and Incubator .........................................................106
    4.2.6.E | Industrial Park ........................................................................................................107
    4.2.6.F | Water Supplies ...............................................................................................108
  4.2.7 | Afterward on Self-Sufficiency ..............................................................................108
Chapter 5: Strategic Action Plan

5.0 | Economic Development “Readiness” ............................................111

5.0.1 | Generally ..............................................................111

5.0.2 | Attracting Business .........................................................111

5.0.2.A | Recommended Actions for Local Economic Development Entities .....112

5.0.2.B | Recommended Actions for Alturas Urban Renewal Agency ...............113

5.0.3 | Expanding Business ..................................................115

5.0.4 | Growing New Business ..................................................116

5.0.5 | Workforce Training and Recruiting ........................................117

5.0.5.A | Generally ..............................................................117

5.0.5.B | Training ..................................................................117

5.0.5.C | Recruiting and Retention ..............................................118

5.0.6 | Interjurisdictional Cooperation ........................................118

5.1 | Marketing ..........................................................................119

5.1.1 | Generally ..............................................................119

5.1.2 | Evaluation of Existing Approach ........................................120

5.1.2.A | Generally ..............................................................120

5.1.2.B | Logo ........................................................................121

5.1.2.B | Tag Line ....................................................................122

5.1.2.C | Web Site ....................................................................122

5.1.3 | Suggested Marketing Strategy ...........................................124

5.1.3.A | Generally ..............................................................124

5.1.3.B | Word-of-Mouth ........................................................125

5.1.3.C | Regional and Industry Cluster Awareness ................................125

5.1.3.D | Internal Marketing ..................................................125

5.1.3.E | E-Newsletters and Annual Reports .....................................126

5.1.3.F | Retail Marketing .......................................................126

5.2 | Action Plan ........................................................................127

5.0.1 | Generally ..............................................................127

5.2.2 | Action Matrix ...........................................................128

Appendix A: Key Economic Indicators ........................................ A-1

Appendix B: Claritas PRIZM NE Supplement .................................B-17

Appendix C: NewCities Report .................................................... C-41
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1.0 | The Region

Moscow is a small college town of 22,352 people. The City is located in the Idaho panhandle, adjacent to the Washington state line, eight miles from Pullman, Washington. See Figure 1.1, Moscow’s Market Area. It is a destination that is located off the beaten path – the drive to the nearest Interstate Highway (I-90, to the north) is more than 80 miles. Lewiston, Idaho and Clarkston, Washington are just over 20 miles south of Moscow “as the crow flies,” but the most convenient drive to these cities (U.S. Highway 95) is about 30 miles. The nearest City is Pullman, Washington, home of Washington State University, which is eight miles west of Moscow.

Moscow’s economic future depends upon more than just events within the City limits. Obviously, Moscow is also a participant in a regional, national, and international economy – each of which has a varying level of feedback into the City’s economic health.

Since economies operate at a number of different scales, using “region” as a unit of analysis requires further discussion. Borrowing from Jon Miller, a professor at the University of Idaho who has already tackled this question:

Spokane is the economic center of this regional economy, and performs what economists call central functions for its regional sub-centers such as Lewiston and Coeur d’Alene, although it is harder and harder over time to distinguish an economic boundary between Spokane and Coeur d’Alene, as they merge into one metropolitan area. In turn, Lewiston performs some central functions for Moscow, but many would argue that this “regional dominance” is lessening over time. In like manner, Moscow performs central functions for smaller places in the region such as Troy, Deary, Potlatch and Genesee. Examples of such functions include, among others, healthcare, legal and financial services, and retail trade.

1 U.S. Census Bureau, 2006 Estimate.
For the purposes of this strategic plan, the principal economic context for the City of Moscow will be Moscow; Latah County; Pullman, Washington; and Whitman County, Washington. Although there are connections to the Lewiston-Clarkston area, Lewiston and Clarkston are more than 30 minutes away by car. As such, Nez Perce and Asotin Counties are considered the secondary market area. Other major population centers, including Spokane, Coeur d’Alene, and Walla Walla, are well more than an hour’s drive from Moscow, and are not evaluated in detail in this assessment. See Figure 1.1, Moscow’s Market Area.

### 1.1 | Demographics and Lifestyles

#### 1.1.1 | Demographic Summary

##### 1.1.1.A | Population

Moscow is growing slowly, and the Latah and Whitman County region is growing even more slowly. The U.S. Census estimates show that from 2000 to 2006, the City’s population grew from 21,291 to 22,352. That is about 177 people per year, or 0.81 percent annual growth. Preliminary 2007 Census and City estimates of 23,223 and 24,737 people, respectively, could indicate that faster growth rates are on the horizon, but there is insufficient data at this point to conclude that these faster growth rates will be sustained over any significant period of time. See Figure 1.2, Moscow’s Population Growth.

The City of Moscow Comprehensive Plan projects approximately one percent annual population growth in the City through 2030 (to 28,104 people). Alternative (non-linear) methodologies provided in the plan project that 2030 population could be as many as 32,045 people. Other sources suggest that, over the short-term, annual population growth will be less than one percent.³

³ EMSI projects 0.19 percent growth through 2018. Claritas projects 0.43 percent growth through 2012.
Regionally, Economic Modeling Specialists, Inc. (“EMSI”) projects that population growth in the Latah County/Whitman County region (including Moscow) will be essentially flat through 2018 (annual growth of about 38 people, or five one-hundredths of one percent). That means that a good part of Moscow’s growth is expected to be older residents who relocate to Moscow from other parts of the region.

The population within the 83843 and 83844 zip codes (Moscow and nearby areas) is expected to remain relatively stable through 2018. However, significant changes in the makeup of that population are expected. Modestly declining enrollment in the region’s universities is anticipated between 2008 and 2018 which will cause a reduction in the 15 to 24 age cohort of almost 2,000 people. Similarly, 2,185 people in the 25 to 54 age cohort are anticipated to leave the region (presumably in search of economic opportunities) during the same period. The nearly 4,000 person reduction in the younger age cohorts is projected to be offset by population increases in the 55 and older age cohorts, which is projected to grow by 4,746 people by 2018. See Table 1.1, Age Cohort Projections.

<table>
<thead>
<tr>
<th>Location</th>
<th>Zip Codes 83843 and 83844</th>
<th>Latah and Whitman Counties</th>
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<tr>
<td>Year</td>
<td>2008</td>
<td>2018</td>
</tr>
<tr>
<td>Population</td>
<td>25,530</td>
<td>26,003</td>
</tr>
<tr>
<td>Age Cohorts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 to 14</td>
<td>3,646</td>
<td>3,586</td>
</tr>
<tr>
<td>15 to 19</td>
<td>3,305</td>
<td>3,274</td>
</tr>
<tr>
<td>20 to 24</td>
<td>5,135</td>
<td>4,834</td>
</tr>
<tr>
<td>25 to 34</td>
<td>3,785</td>
<td>3,558</td>
</tr>
<tr>
<td>35 to 54</td>
<td>5,208</td>
<td>4,736</td>
</tr>
<tr>
<td>55 to 64</td>
<td>2,200</td>
<td>2,601</td>
</tr>
<tr>
<td>65 to 74</td>
<td>1,059</td>
<td>1,986</td>
</tr>
<tr>
<td>75+</td>
<td>1,190</td>
<td>1,427</td>
</tr>
</tbody>
</table>

* Source: EMSI
** The population age cohort projection data provided by EMSI is organized at the Zip Code or County levels. Zip Code 83843 includes Moscow and some nearby areas in Latah County. Zip Code 83844 is the University of Idaho.
Chapter 1: Local and Regional Economic Base Analysis

1.1.1.B | Households

Claritas projects that the average household size in Moscow will decline slightly during the period between 2000 and 2012, from 2.25 to 2.21. Claritas estimates that most of that decline has already occurred, and that in 2007, the average household size was 2.22. See Table 1.2, Moscow Household Sizes. Shrinking household sizes increase demand for housing units at a rate slightly faster than population growth. Combined with an aging demographic, they may also affect the type of housing sought.

<table>
<thead>
<tr>
<th>Table 1.2: Moscow Household Sizes*</th>
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<tr>
<td>Year</td>
</tr>
<tr>
<td>Nonfamily Households (pct. of all households)</td>
</tr>
<tr>
<td>1 person (pct. of nonfamily households)</td>
</tr>
<tr>
<td>2 person</td>
</tr>
<tr>
<td>3 person</td>
</tr>
<tr>
<td>4 person</td>
</tr>
<tr>
<td>5 person</td>
</tr>
<tr>
<td>6 person</td>
</tr>
<tr>
<td>7+ person</td>
</tr>
<tr>
<td>Family Households (pct. of all households)</td>
</tr>
<tr>
<td>2 person (pct. of family households)</td>
</tr>
<tr>
<td>3 person</td>
</tr>
<tr>
<td>4 person</td>
</tr>
<tr>
<td>5 person</td>
</tr>
<tr>
<td>6 person</td>
</tr>
<tr>
<td>7+ person</td>
</tr>
</tbody>
</table>

* Source: Claritas <www.sitereports.com>

1.1.1.C | Income

Claritas projects that incomes in Moscow will rise for the next five years, particularly in the $100,000 to $249,999 annual household income cohorts. The Claritas projection is consistent with the observations of Miller, et al., in their 2006 report “Growth in Moscow: A Study of Modest Population Growth and Rising Economic Prosperity.” See Table 1.3, Moscow Household Income Projections (next page).

Assuming that the projections for individual household income are relatively accurate, it follows that aggregate income for Moscow’s residents will also rise over the near future. Claritas projects that aggregate household income will rise from $356 million in 2007 to $400 million in 2012. Still, the increase in per capita income is projected at only 1.86 percent annually for the next five years (from $17,734 in 2007 to $19,443 in 2012), a rate that is unlikely to keep pace with inflation due to recent large-scale increases in the money supply and food and energy price
trends. Put simply, despite nominally increasing incomes, real individual purchasing power in Moscow and the region could decline slightly in the near future.

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2007</th>
<th>2012</th>
</tr>
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<tbody>
<tr>
<td>Average Household Income</td>
<td>$37,769</td>
<td>$45,214</td>
<td>$50,249</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>$27,232</td>
<td>$32,453</td>
<td>$35,421</td>
</tr>
</tbody>
</table>

**Table 1.3:**

<table>
<thead>
<tr>
<th>Household Income Cohorts (pct of households)</th>
<th>2000</th>
<th>2007</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$15,000</td>
<td>29.45%</td>
<td>24.65%</td>
<td>22.15%</td>
</tr>
<tr>
<td>$15,000 to $24,999</td>
<td>17.77%</td>
<td>15.69%</td>
<td>14.57%</td>
</tr>
<tr>
<td>$25,000 to $34,999</td>
<td>12.50%</td>
<td>12.96%</td>
<td>12.91%</td>
</tr>
<tr>
<td>$35,000 to $49,999</td>
<td>12.74%</td>
<td>12.75%</td>
<td>13.40%</td>
</tr>
<tr>
<td>$50,000 to $74,999</td>
<td>14.72%</td>
<td>16.36%</td>
<td>15.63%</td>
</tr>
<tr>
<td>$75,000 to $99,999</td>
<td>7.82%</td>
<td>8.28%</td>
<td>9.12%</td>
</tr>
<tr>
<td>$100,000 to $149,999</td>
<td>3.85%</td>
<td>7.43%</td>
<td>9.18%</td>
</tr>
<tr>
<td>$150,000 to $249,999</td>
<td>0.78%</td>
<td>1.31%</td>
<td>2.36%</td>
</tr>
<tr>
<td>$250,000 to $499,999</td>
<td>0.27%</td>
<td>0.42%</td>
<td>0.45%</td>
</tr>
<tr>
<td>$500,000+</td>
<td>0.09%</td>
<td>0.15%</td>
<td>0.23%</td>
</tr>
</tbody>
</table>

* Source: Claritas [www.sitereports.com]

1.1.1.D | Implications of Current Trends

The available population, household and income trends assume that there will be no intervention in the economic function of the City or the region. Projections are based on the best available data, professional judgment, and complex models. They are based on probabilities and assumptions about existing trends and circumstances, and should not be considered determinative, especially where active intervention by the community is planned.

Still, the available trend data is useful in that it suggests a particular alternative future based on the continuation (and extrapolation) of existing conditions. That projected future is:

- A decline of approximately three percent (in the City and the region) among the age cohorts that make up the traditional workforce (25 to 54);
- A modest increase in nominal per capita income, which may not be sufficient to overcome inflation, potentially resulting in a modest decrease in per capita spending power;
- Increased workforce participation among people in the 55 and older age cohorts; and
- Increased demand for housing that is tailored to the lifestyles sought by aging populations and retirees.
Chapter 1: Local and Regional Economic Base Analysis

1.1.2 | Lifestyle Preferences

1.1.2.A | Introduction to Geodemographics

Marketers often use a tool called “geodemographics” to locate households that have particular interests. Claritas produces a proprietary geodemographics set called “PRIZM NE.” The Claritas data was used to draw a more complete picture of Moscow’s residents than population and income numbers will reveal.

PRIZM NE groups households into “Lifestyle Segments,” groups “Lifestyle Segments” into “Lifestyle Groups,” and groups “Lifestyle Groups” into “Lifestyle Classes.” See Figure 1.3, Claritas PRIZM NE Lifestage Groups.

- There are three lifestage classes: “Younger Years,” “Family Life,” and “Mature Years.”
- Lifestage groups account for affluence and a combination of household age and children who still live at home. There are 11 Lifestage groups. Each Lifestyle Group’s combination of three variables -- affluence, householder age, and presence of children at home -- help paint a more vivid picture of the likely lifestyle of the segments in that group.

- There are 66 lifestyle segments in the Claritas PRIZM NE system. The detailed makeup and interests of each of these lifestyle segments is provided in Appendix B, Claritas PRIZM NE Supplement.

1.1.2.B | Moscow’s Lifestage Groups

Table 1.4, Moscow Lifestyle Segmentation, shows the percentage of households in Moscow within each PRIZM NE lifestage class, lifestage group, and lifestyle segment. Figure 1.4, Moscow’s Lifestyle Classes (Claritas PRIZM NE) (page 9), summarizes the distribution of households among the lifestyle groups.
### Table 1.4: Moscow Lifestyle Segmentation

<table>
<thead>
<tr>
<th>Lifestage Class</th>
<th>Lifestage Group</th>
<th>Lifestyle Segment</th>
<th>Percent of Moscow Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Younger Years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Young Achievers</td>
<td></td>
<td>10.49%</td>
</tr>
<tr>
<td></td>
<td>Greenbelt Sports</td>
<td></td>
<td>2.27%</td>
</tr>
<tr>
<td></td>
<td>Up-and-Comers</td>
<td></td>
<td>3.12%</td>
</tr>
<tr>
<td></td>
<td>Boomtown Singles</td>
<td></td>
<td>5.09%</td>
</tr>
<tr>
<td></td>
<td>Striving Singles</td>
<td></td>
<td>45.74%</td>
</tr>
<tr>
<td></td>
<td>Red, White and Blues</td>
<td></td>
<td>3.37%</td>
</tr>
<tr>
<td></td>
<td>Blue Highways</td>
<td></td>
<td>0.44%</td>
</tr>
<tr>
<td></td>
<td>City Startups</td>
<td></td>
<td>11.13%</td>
</tr>
<tr>
<td></td>
<td>Young and Rustic</td>
<td></td>
<td>14.43%</td>
</tr>
<tr>
<td></td>
<td>Mobility Blues</td>
<td></td>
<td>12.74%</td>
</tr>
<tr>
<td>Family Life</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accumulated Wealth</td>
<td></td>
<td>0.08%</td>
</tr>
<tr>
<td></td>
<td>Country Squires</td>
<td></td>
<td>0.08%</td>
</tr>
<tr>
<td></td>
<td>Young Accumulators</td>
<td></td>
<td>2.39%</td>
</tr>
<tr>
<td></td>
<td>Upward Bound</td>
<td></td>
<td>0.79%</td>
</tr>
<tr>
<td></td>
<td>Fast-Track Families</td>
<td></td>
<td>1.60%</td>
</tr>
<tr>
<td></td>
<td>Mainstream Families</td>
<td></td>
<td>5.30%</td>
</tr>
<tr>
<td></td>
<td>New Homesteaders</td>
<td></td>
<td>1.77%</td>
</tr>
<tr>
<td></td>
<td>Big Sky Families</td>
<td></td>
<td>0.15%</td>
</tr>
<tr>
<td></td>
<td>White Picket Fences</td>
<td></td>
<td>1.26%</td>
</tr>
<tr>
<td></td>
<td>Kid Country, USA</td>
<td></td>
<td>1.96%</td>
</tr>
<tr>
<td></td>
<td>Shotguns and Pickups</td>
<td></td>
<td>0.17%</td>
</tr>
<tr>
<td></td>
<td>Sustaining Families</td>
<td></td>
<td>6.49%</td>
</tr>
<tr>
<td></td>
<td>Family Thrifts</td>
<td></td>
<td>4.83%</td>
</tr>
<tr>
<td></td>
<td>Bedrock America</td>
<td></td>
<td>1.66%</td>
</tr>
<tr>
<td>Mature Years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Affluent Empty Nests</td>
<td></td>
<td>2.18%</td>
</tr>
<tr>
<td></td>
<td>Big Fish, Small Pond</td>
<td></td>
<td>0.94%</td>
</tr>
<tr>
<td></td>
<td>Second City Elite</td>
<td></td>
<td>1.24%</td>
</tr>
</tbody>
</table>
Table 1.4: Moscow Lifestyle Segmentation*

<table>
<thead>
<tr>
<th>Lifestage Class</th>
<th>Lifestage Group</th>
<th>Percent of Moscow Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative Classics</td>
<td>5.21%</td>
<td></td>
</tr>
<tr>
<td>Middleburg Managers</td>
<td>3.87%</td>
<td></td>
</tr>
<tr>
<td>Traditional Times</td>
<td>1.33%</td>
<td></td>
</tr>
<tr>
<td>Cautious Couples</td>
<td>4.55%</td>
<td></td>
</tr>
<tr>
<td>Simple Pleasures</td>
<td>0.33%</td>
<td></td>
</tr>
<tr>
<td>Sunset City Blues</td>
<td>3.66%</td>
<td></td>
</tr>
<tr>
<td>Heartlanders</td>
<td>0.56%</td>
<td></td>
</tr>
<tr>
<td>Sustaining Seniors</td>
<td>6.67%</td>
<td></td>
</tr>
<tr>
<td>Golden Ponds</td>
<td>1.50%</td>
<td></td>
</tr>
<tr>
<td>Old Milltowns</td>
<td>1.14%</td>
<td></td>
</tr>
<tr>
<td>Back Country Folks</td>
<td>0.14%</td>
<td></td>
</tr>
<tr>
<td>Park Bench Seniors</td>
<td>2.03%</td>
<td></td>
</tr>
<tr>
<td>Hometown Retired</td>
<td>1.85%</td>
<td></td>
</tr>
</tbody>
</table>

* Source: Claritas <www.sitereports.com>

In terms of Lifestage Groups, 45.74 percent of the households in Moscow are “Striving Singles.” Striving Singles are the most downscale of the “Younger Years” lifestage class. Centered in exurban towns and satellite cities, these twentysomething singles typically have low incomes (often under $30,000 annually) from service jobs or part time work they take on while going to college. Housing for this group consists of a mix of low-rent apartment complexes, dormitories, and mobile homes. As consumers, the residents in these segments score high for outdoor sports, movies and music, fast food, and inexpensive cars.

Just under 11 percent of the households are “Midlife Success.” The eight segments in the Midlife Success group are typically filled with childless singles and couples in their thirties and forties. The wealthiest of the Younger Years class, this group is home to many white, college educated residents who make six figure incomes at executive and professional jobs. However, the group also extends to more middle class lifestyle segments. Most of these segments are found in suburban and exurban communities, with consumers who are big fans of the latest technology, financial products, aerobic exercise, and travel.

Almost 10.5 percent of the households in Moscow are “Young Achievers.” These are young, hip singles; a lifestage group of twentysomethings who have recently settled in metro neighborhoods. Their incomes range from working class to well-to-do, but most residents are still renting apartments in cities or close-in suburbs. Young Achievers have a decidedly progressive sensibility in their tastes, which is
reflected in their progressive politics, alternative music, and lively nightlife. Segments in this group are twice as likely as the general population to include college students who live in group quarters.

Each of the remaining lifestage groups represent less than ten percent of Moscow’s households. The details of each of the PRIZM NE lifestage classes, lifestage groups, and lifestyle clusters are provided in Appendix B, Claritas PRIZM NE Supplement.

1.1.2.C | Moscow’s Lifestyle Segments

For a small city, Moscow is very diverse in terms of its residents’ interests. Indeed, slightly more than half (34 of 66) of Claritas’ lifestyle segments are represented in the City. Three of them represent more than ten percent of the City’s households: City Startups, 11.13 percent; Young and Rustic, 14.43 percent; and Mobility Blues, 12.74 percent. Not surprisingly, these three segments are all within the “Striving Singles” lifestage group (which includes many college students).

“City Startups” are young, multi-ethnic singles who have settled in neighborhoods filled with cheap apartments and a commercial base of cafés, bars, laundromats, and clubs that cater to twentysomethings. One of the youngest segments in America, City Startups has ten times as many college students as the national average.

“Young and Rustic” is a group of young, restless singles. Members of this segment tend to be lower income, high school-educated, and residents of small apartments in exurban towns. Even with service industry jobs and modest incomes, they tend to work for a fast-paced lifestyle centered on sports, cars and dating.

“Mobility Blues” are young singles and single parents who make up a segment of working-class neighborhoods in America’s satellite cities. Racially mixed and under 25 years old, these transient Americans tend to have modest lifestyles and lower-income “blue-collar” jobs. Surveys show they like to go to movies, play basketball and shoot pool.
1.1.2.D | Implications of Moscow’s Geodemographics

Although Moscow is not very diverse in terms of race and ethnicity, it is quite diverse in terms of the interests and lifestyles of its residents. The diversity can be a strength in terms of the economy because it can promote creativity and offer workers for a broad variety of industries. Unless there is a culture of cooperation, the diversity of interests in the City can also lead to conflict over policy. Bringing the City’s diverse interests together toward a common vision -- and achieving demonstrated results -- are key to promoting a culture of cooperation. The Business Technology Incubator and Alturas Technology Park are two examples of such results.

1.2 | Key Economic Indicators

1.2.1 | Employment

1.2.1.A | Size of the Labor Force

Latah County’s labor force is relatively stable in size, fluctuating between 16,100 and 18,212 for the past eight years. In 2007, there were 17,076 people in Latah County’s labor force. Of them, 16,664 were employed. In Whitman County, the 2008 labor force is 20,010 strong. Of those, 20,130 are employed.8

According to the Idaho Department of Labor, employment in Latah County increased in 2006 because of growth in trade, health services, leisure and hospitality, and electronic manufacturing. In 2007, employment declined by more than 1,000, but a slightly larger decline in the labor force resulted in a decline in the unemployment rate from 2.7 percent in 2006 to 2.4 percent in 2007. It is not clear whether the decline in the labor force was a result of out-migration, retirements, or people leaving the labor force for other reasons.

1.2.1.B | Unemployment

The University of Idaho has a stabilizing effect on Moscow’s economy in terms of employment. Indeed, while neighboring counties that do not have a significant university presence have experienced instability in employment, particularly during the 1980s and early 1990s, Latah County and Whitman County (home of Washington State University) have enjoyed low and stable unemployment rates. See Figure 1.5, Unemployment Trends. In 2007, Latah County’s unemployment rate was a very low 2.4 percent.

In October 2008, Latah County’s unemployment rate went up to 3.9 percent, which compares favorably to other counties in the region and the nation as a whole, which had a 6.5 percent unemployment rate in October 2008. The data show that,

while Latah County is not immune to the effects of economic recession, it is fairly well buffered.

1.2.1.C | Underemployment

The definition for “underemployment” is complex and can vary across disciplines. However, the general rules are:

- Those already working with skill and educational levels that do not match their current occupations or their fringe or salary compensation can be considered underemployed.
- If workers’ current jobs do not match their desire to work full time, they can be considered underemployed.

The population of “underemployed” workers represent a pool of labor in addition to the unemployed that economic developers and existing businesses can tap into. This population of “underemployed” workers is especially significant since:

- Population growth is very slow and unemployment is very low, resulting in a relatively small pool of people who are actively looking for work; and
- Reductions in underemployment naturally correspond to increases in income and job responsibilities, which benefit the local economy and provide additional stability in the workforce.

In 2006, the “underemployment rate” in Latah County was 10.3 percent. See Table 1.5, Underemployment (2006). That number compares favorably with underemployment in adjacent Idaho Counties and the state as a whole.

<table>
<thead>
<tr>
<th>County</th>
<th>Underemployed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latah County</td>
<td>10.3%</td>
</tr>
<tr>
<td>Benewah County</td>
<td>10.3%</td>
</tr>
<tr>
<td>Nez Perce County</td>
<td>20.9%</td>
</tr>
</tbody>
</table>
1.2.1.D | Major Employers

Moscow’s major employers are heavily represented in the education, healthcare, and government fields. Table 1.6, Major Employers (2004), sets out the State of Idaho Department of Labor figures for the number of employees who worked for each of Moscow’s major employers in 2005.

<table>
<thead>
<tr>
<th>Employer Type</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Idaho</td>
<td>Education</td>
</tr>
<tr>
<td>Gritman Medical Center</td>
<td>Healthcare Services</td>
</tr>
<tr>
<td>Moscow School District</td>
<td>Education</td>
</tr>
<tr>
<td>Wal-Mart</td>
<td>Department Store</td>
</tr>
<tr>
<td>Latah County</td>
<td>Government</td>
</tr>
<tr>
<td>City of Moscow</td>
<td>Government</td>
</tr>
<tr>
<td>Best Western University Inn</td>
<td>Lodging</td>
</tr>
<tr>
<td>WinCo Foods</td>
<td>Grocery Store</td>
</tr>
<tr>
<td>Northwest River Supplies</td>
<td>Manufacturing</td>
</tr>
</tbody>
</table>

** Source: Moscow Chamber of Commerce; Gritman Medical Center. FTE means “full-time equivalent.” In other words, two 20-hour per week jobs equals one “FTE.”

1.2.2 | University of Idaho

1.2.2.A | The University as an Economic Indicator

A significant economic indicator for Moscow and Latah County is the size of the University of Idaho’s student population. Indeed, the University of Idaho is the economic engine of Moscow, and the vitality of the University is inexorably tied to the vitality of the City:

- The University of Idaho employs more than 39 percent of all workers in Latah County. It provides economic stability and insulates the county from national economic cycles.
- UI’s Dr. Jon Miller and his team of researchers estimated that in 2006, the direct, indirect, and “multiplier” effects of the University of Idaho accounted for
52.6 percent of all jobs and 53.9 percent of all earnings in Moscow.9

Not surprisingly, EMSI projects that a loss of 1,000 students at UI Moscow could result in the long-term loss of as many as 800 jobs.10 Additionally, according to a recent article in the University of Idaho Argonaut, “With each one percent drop in enrollment, the university loses about $500,000.”11 As such, stabilizing and increasing the number of students enrolled at UI is a key component of the City’s economic development strategy.

1.2.2.B | Enrollment

UI’s Moscow campus enrollment grew to a peak of 11,706 in school year 2004-05, and then fell three years in a row, to the current level of 10,756. See Figure 1.6, UI and WSU Enrollment. However, University officials are optimistic about the new freshmen class. According to a January 25, 2008 article in the Argonaut, UI’s new freshmen enrollment is up 42 percent compared to last year. The diversity and quality of the freshmen class is a positive sign. The Argonaut reports that UI “also has seen an increase in minority students. The number of Hispanic students has increased 5.1 percent, black student enrollment is up 6.2 percent and 45 percent of freshmen are first-generation college students. UI also has enrolled 14 of 15 new National Merit Scholars in the state.”12


Among the other positive notes with regard to UI are:

- The University’s academic strength and affordability earned it a place on the 2008 list of Kiplinger’s 100 Best Values in Public Colleges.
- UI is ranked in the top 30 in the nation as “a great university to hit the books and backcountry” by Outside magazine.\(^\text{13}\)
- UI is ranked in the top one-third of Intel’s “100 Most Unwired College Campuses in the U.S.,” a recognition of UI’s extensive availability of wireless internet access.\(^\text{14}\)
- UI Vandals sports are NCAA Division I, Western Athletic Conference.

A 2008 snapshot of enrollment by college is provided in Table 1.7, UI Enrollment by College.

<table>
<thead>
<tr>
<th>College</th>
<th>2008 Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letters, Arts and Social Sciences</td>
<td>3,302</td>
</tr>
<tr>
<td>Education</td>
<td>1,791</td>
</tr>
<tr>
<td>Engineering</td>
<td>1,490</td>
</tr>
<tr>
<td>Business and Economics</td>
<td>1,317</td>
</tr>
<tr>
<td>Agricultural and Life Sciences</td>
<td>1,131</td>
</tr>
<tr>
<td>Science</td>
<td>946</td>
</tr>
<tr>
<td>Art and Architecture</td>
<td>882</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>723</td>
</tr>
<tr>
<td>Law</td>
<td>307</td>
</tr>
<tr>
<td>Graduate Studies</td>
<td>71</td>
</tr>
<tr>
<td>WWAMI(^*)</td>
<td>20</td>
</tr>
</tbody>
</table>

\(^*\) Source: University of Idaho

\(^*\) WWAMI is the acronym for “Washington-Wyoming-Alaska-Montana-Idaho Medical Education Program.”

1.2.3 Washington State University

Eight miles across the state line is Pullman, Washington, home to Washington State University (“WSU”). WSU has a 620-acre core campus with 18,091 students enrolled in the 2007-08 school year. WSU enrollment (head count) has been stable at around 18,000 since the 2002-2003 academic year. See Figure 1.6, UI and WSU Enrollment. The Daily Evergreen reports that since 2007, the applicant pool for


\(^{14}\) Intel Corporation conducts an annual survey of wireless Internet access at U.S. colleges and universities called the “100 Most Unwired College Campuses in the U.S.”
WSU has increased beyond the University’s projections. Students often attend classes at both UI and WSU.

A 2007 snapshot of certified majors by college on the Pullman Campus is provided in Table 1.8, WSU Enrollment by College.

<table>
<thead>
<tr>
<th>College</th>
<th>2008 Majors (Pullman)</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Agricultural Human and Natural Resource Sciences</td>
<td>1,161</td>
</tr>
<tr>
<td>College of Business</td>
<td>1,191</td>
</tr>
<tr>
<td>College of Education</td>
<td>874</td>
</tr>
<tr>
<td>College of Engineering and Architecture</td>
<td>1,381</td>
</tr>
<tr>
<td>College of Liberal Arts</td>
<td>3,089</td>
</tr>
<tr>
<td>College of Nursing</td>
<td>558</td>
</tr>
<tr>
<td>College of Pharmacy</td>
<td>197</td>
</tr>
<tr>
<td>College of Sciences</td>
<td>1,024</td>
</tr>
<tr>
<td>College of Veterinary Medicine</td>
<td>512</td>
</tr>
<tr>
<td>Non-College</td>
<td>102</td>
</tr>
</tbody>
</table>

* Source: University of Washington Institutional Research

In addition to its student population, WSU employs 12,194 people (all positions, including student employment). Almost one-quarter of them -- 2,843 -- live in Moscow. As such, WSU Pullman is an important employer for Moscow residents.

WSU brings a source of good jobs to the region, along with notable programs in botany and plant biology, broadcasting, hospitality management, jazz, interior design, advertising, communication, business, sociology, nursing, veterinary medicine, neuroscience, and civil engineering.

**1.2.4 | Construction**

Construction is a highly visible industry that creates wealth in the community. It also has multiplier effects in terms of building materials sales, the provision of housing and commercial, industrial, and civic space, and improvements to existing buildings. Yet, the construction sector is a small component of the City’s labor force.

The Idaho Department of Labor reports that the average construction employment in Latah County in 2006 was 639 people, who earned an average wage of $28,402. By comparison, in 1996, there were 438 employees in the County who earned an average wage of $21,328. While employment growth has been steady in this sector,

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16 Source: Smethurst, Alice, Director; Payroll Services, Tax Compliance, and Benefit Reporting Department; Washington State University, Pullman Campus.
wages have been essentially flat in real terms. In constant (inflation-adjusted) dollars, the 2006 wage was only 3.6 percent higher than the 1996 wage.

1.2.5 | Healthcare

1.2.5.A | Gritman Medical Center
For more than 100 years, Gritman Medical Center has been the principal healthcare facility in Moscow. In addition to providing a 25-bed full-service hospital facility to City residents, Gritman Medical Center is an important part of the City’s economy. In 2007, Gritman paid $15.6 million in wages and salaries and another $3.6 million in benefits. In 2007, the average hourly wage at Gritman was $24.36, with an additional 24.48 percent of that value provided in benefits. Gritman provides 332 full-time equivalent positions (FTEs) that employ approximately 460 people: approximately 290 full time employees and 170 part-time employees.17 

1.2.5.B | Other Healthcare
In addition to the hospital, there are two rural clinics located in the unincorporated areas, and a large number of doctors’ offices of all types.18 Gritman Medical Center and several community physicians also established the Palouse Surgery Center on West “A” Street in Moscow in 2004, which provides outpatient surgical services. Pullman Regional Hospital, located in Pullman, Washington, provides additional healthcare services and employment opportunities for Moscow residents.

1.2.6 | Manufacturing
In 1996, 409 people worked in Latah County’s manufacturing sector for an average wage of $26,070. By 2006, employment in the sector grew to 421 people, who earned an average wage of $38,914.19 In real terms, average wages in the manufacturing sector grew 16 percent over the ten year period.

1.2.7 | Information
The information sector (NAICS Code 51) includes the publishing industries (software publishing; traditional publishing and publishing exclusively on the Internet); the motion picture and sound recording industries; broadcasting industries (including traditional broadcasting and those broadcasting exclusively over the Internet); telecommunications industries; industries known as Internet service providers and web search portals, data processing industries, and information

18 Yahoo! Yellow pages lists 125 entries for Moscow under the category of “doctors.” A few of these are Gritman Medical Center listings.
services industries. EMSI estimates that there are 333 jobs in the information sector in 2008 in zip codes 83843 and 83844. That is 1.8 percent of the workforce. This workforce is expected to shrink two percent to 328 jobs by 2018.

### 1.2.8 | Agriculture and Forestry

Latah County has extraordinarily productive soils for agriculture. Unlike many areas of the country (and the State of Idaho), where farms are being consolidated or disappearing altogether, in Latah County, the number of farms increased from 768 in 1997 to 890 in 2002. In 2004, 38 percent of the land in Latah County was used for agriculture.

Livestock and poultry grown in Latah County generated $3,197,000 in sales in 1997 for 297 farms. By 2002, sales fell to $2,714,000 among 269 farms. Of the various types of livestock, cattle and calves were the most significant. They generated $2,362,000 in sales in 1997 among 222 farms. By 2002, the number of farms that raised cattle and calves had declined to 164, and sales fell to $2,007,000, a number which provided slightly better earnings than in 1997 when measured on a per-farm basis.

In 1997, 33 farms in Latah County sold products directly to individuals. In 2002, the number grew to 54. The increase in total value of the goods sold rose from $73,000 in 1997 to $98,000 in 2002, an increase that did not keep pace with the growth in the number of farms.

The Idaho Department of Labor estimates that an average of 884 people were employed in agriculture in Latah County in 2007. Agricultural employment peaked in August at 1,152.

In other segments of the agricultural economy:

- Five farms that produce certified organic commodities were formed between 1997 and 2002.
- In 2003, there were 33 firms in Latah County that were in the business of forestry and logging. Of these firms, 28 employed 1 to 19 people, and five employed 20 to 99 people.

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20 Source: EMSI
21 U.S. Census of Agriculture.
23 Estimates are for covered and noncovered employment for NAICS categories 111 Crop Production; 112 Animal Production; 1151 Support Activities for Crop Production; and 1152 Support Activities for Animal Production.
24 Source: U.S. Census Bureau. 2003 County Business Patterns.
1.2.9 | Tourism
Tourism is Idaho’s third largest industry state-wide. Within Moscow, the University of Idaho provides cultural opportunities, Division I collegiate sports, and periodic visits by parents (especially at the beginning and end of the semester). Arts attractions (e.g., studios, galleries, art tours and events) and cultural events (e.g., farmer’s market, festivals) provide an additional draw. Additionally, in the areas around Moscow, hunting, fishing, river sports, and camping are significant attractions.

1.2.10 | Retail
Claritas estimates that in 2007, Moscow retailers generated $305.5 million in sales. Residents of Moscow spent $310.3 million on retail products. In several retail sectors, including electronics and appliances; food and beverage stores (particularly supermarkets); health and personal care stores; gasoline stations; sporting goods, toys, and sewing shops; general merchandise; and office supplies, Moscow is currently a regional retail hub.

1.3 | Opportunities and Challenges to Business
Recruitment and Development

1.3.1 | Opportunities

1.3.1.A | University of Idaho
The University of Idaho is the economic engine of Moscow. And although a key component of the economic development strategy is to diversify the City’s economy, the University of Idaho should be a strong partner in that effort. The University can participate in many ways:

- The University is a large landowner in the City. It is a participant in the Business Technology Incubator (discussed in the next subsection), leases land to the Palouse Mall, and controls large parcels of land (e.g., the dairy farm north of Pullman Road) which will change use in the relatively near term.
- The University provides a broad pool of intellectual talent and a strong research program.
- The University enrolls more than 10,000 students who participate in the local economy while they are in school, and some portion of whom could be employed full-time in the City after graduation.
- Sophomore retention in recent years has been less than 80 percent. Although UI has a retention rate that is comparable to national averages for similar schools, both the City and the University would benefit from improving
retention rates. Greater collaboration in this regard would likely produce mutual benefit.  

1.3.1.B | Business Technology Incubator

The Business Technology Incubator (“BTI”) is a 17,000 square foot, $1.8 million facility built with City and community resources and community development block grant / EDA grants. It is located next to the University of Idaho’s Moscow campus. See Figure 1.7, Business Technology Incubator. BTI was established to help startup companies that are interested in commercializing new technologies, and to encourage Idaho companies to seek out technology transfer opportunities. It is managed by Margaret Howlett, Executive Director of the Latah Economic Development Council, which has offices on-site.

BTI provides:

- First-class, affordable space (rents are below-market and step up as the business grows);
- Virtual office space (a business address with support services but no exclusive physical floor area);
- Support and advisory services to startup technology businesses; Help for businesses to prosper and overcome initial obstacles faced during the difficult first years; and
- Assistance with mutually beneficial arrangements between tenant companies and University faculty, researchers, engineers, and scientists.

The incubator is very popular, and interviews with local economic development professionals suggest that additional incubator space is desirable. Recent BTI graduates include:

25 According to ACT, the first to second year retention rates for four-year public colleges that offer bachelor’s, master’s and doctoral degrees that have “traditional” admissions policies (admitting more students than those with “liberal” policies, and fewer students than those with “selective” policies), is 73 percent (73 colleges reporting, standard deviation of 10.2).

26 National statistics show that business incubators increase the survival rate of startups from 35 percent to 87 percent.
EMSI, which provides economic, demographic, industry and occupational projections and research.

Benchmark Research and Safety, Inc., which provides consulting and professional services in the areas of product and occupational safety, human factors design and usability, web application design, program administration, contract management, training and education, and technical assistance.

Comtech AHA, which develops, markets, and licenses data coding technologies used in the communications, networking, and data storage markets. Their extensive customer list includes Boeing, Cisco Systems, Lockheed Martin, Motorola, Samsung, Sony, and Xerox.

Siemens – Building Technologies, which provides technical infrastructure for security, comfort and efficiency in buildings.

Innovative Biosystems, a biotechnology company.

All of these companies except Innovative Biosystems are now located in Alturas Technology Park (see Section 1.3.1.C, Urban Renewal Districts).

1.3.1.C | Urban Renewal Districts

Alturas Urban Renewal District. Alturas Technology Park is located south of Highway 8/Troy Road and west of Mountain View Road. It was established to provide a location for technology-oriented businesses. A special zoning district was formed to encourage a cohesive and consistent district to stimulate economic development. Alturas has fostered economic growth through diversification by establishing a place for research and technology companies to locate and grow in the company of related businesses.

Alturas offers building sites to technology-based businesses interested in locating near the University of Idaho and/or Washington State University. Lots are generally built to suit the particular needs of companies that are locating in (or relocating to) Alturas.

Alturas is a great example of how cooperation between the City of Moscow, the University of Idaho, and the Latah County Economic Development Council can lead to concrete successes for all involved. The project emerged from the desire to build upon the success of the business incubator and provide additional space for the growth and development of new companies. These companies were forecasted to provide employment, investment and tax revenue generation capable of maintaining and improving the economy and community of Moscow.

The strategy behind Alturas was to leverage public investment to tap into known market forces for business expansion. The public sector provided public infrastructure, including water, sewer, streets and parks within the project area. These public improvements made private investment a feasible -- and attractive -- option
for several companies that would have otherwise probably relocated away from Moscow in search of suitable facilities. The Alturas Urban Renewal District is due to expire in 2016.

The Park is being developed in two phases, approximately eight acres per phase. Available lots range in size from 0.68 acre to just over one acre. The facility features a well-landscaped public park with views of the Palouse and Moscow Mountain, that also includes an amphitheater to host community events.

Lot owners and tenant businesses enjoy a state-of-the-art working environment backed up by fiber optic cable and a sophisticated telecommunications infrastructure. Current tenants include Comtech AHA; Siemens – Building Systems; and EMSI (all described in Section 1.3.1.B, Business Technology Incubator), as well as:

- Anatek Labs, a full service, multi-state certified analytical laboratory that provides environmental, agricultural, residential, and industrial testing services;
- Alturas Analytics, a provider of analytical services, including liquid chromatography-mass spectrometry testing, by contract with pharmaceutical and biotech industries;
- Anderson and Walker, attorneys;
- Andrea Beckett Certified Public Accountant (“CPA”);
- Mann and Stanke, CPA; and
- Forest Econ. Inc., consultants who specialize in strategic forest management economics, natural resource project evaluation, timber investments, timber taxation, decision optimization and impact analyses of natural resource policy changes.

**Legacy Crossing Urban Renewal District.** The Legacy Crossing district was established in 2008. Its purpose is to guide the development, redevelopment, and adaptive re-use that are desired in the old agricultural industry corridor along the railroad and Paradise Creek alignment between the University of Idaho and downtown. The intention of Legacy Crossing is to spur a transition of properties from former agricultural and/or industrial uses to new uses, create more cohesive zoning arrangements, add diversity to the General Business and Residential/Office mixed use zones, and thereby create a vibrant place for economic activity.

**1.3.1.D | Latah Economic Development Council**
The Latah Economic Development Council (“LEDC”) is a non-profit organization that is dedicated to creating and implementing a coordinated, comprehensive program of economic development, and to improve the future of Latah County in a manner that is compatible with local values. LEDC focuses its efforts on business development and retention and community development.
The LEDC is funded by contributions from the private sector, Latah County, the City of Moscow, and the University of Idaho in roughly equal proportions. The LEDC’s unique relationship with the private sector and public institutions allow it to move quickly to develop, attract, and retain new technologies and non-competing businesses. Because the University of Idaho is such an important part of the community, research and technology-based businesses are focal points for economic growth.

The LEDC is governed by an 18 member board of Directors, fourteen of whom are elected from the private sector to three-year terms and four of whom are appointed by their respective institutions (City of Moscow, Latah County, University of Idaho and Chamber of Commerce).

1.3.1.E | Clearwater Economic Development Association
The Clearwater Economic Development Association (“CEDA”) provides a number of economic development services, including:

- Management of public loan funds to assist regional business startup and expansion efforts. The program includes one revolving loan fund, two micro-loan funds, and an intermediary re-lending program. These funds make more than $2 million available for business development.

- CEDA participates in infrastructure planning, grant writing, contract administration, and technical assistance.

1.3.1.F | Moscow Chamber of Commerce
The Moscow Chamber of Commerce’s mission is to strengthen, promote, and lead the business and economic community and support the free enterprise system while preserving and enhancing quality of life in Moscow. The Chamber is involved in promotion, information, education, and networking for local businesses. Within the Chamber, various committees work on issues that pertain to economic development.

The Community Development Committee is the Chamber’s principal economic development arm. It participates in efforts to improve or expand the City’s economic base. The Committee is an active participant in downtown revitalization efforts, and plays a leading role in advocating for improvement of the City’s physical appearance, planning and zoning efforts, and growth-related issues (e.g., groundwater management and transportation planning).

The Community Development Committee is charged with building alliances with other economic development stakeholders, such as the Latah Economic Development Council, Latah County Rural Development Services, Clearwater Economic Development Association, City staff, private interests, and other organizations.

The Education Committee focuses on business education and leadership development training. With the support of the Chamber staff, the Education Committee
develops programs like Leadership Moscow, Youth Leadership Moscow, business lunches, Workforce Development and the School to Work program. The committee continually assesses the educational needs of the Chamber’s membership and recommends programs and business training when appropriate. The Education Committee works closely with the Moscow School District, Lewis and Clark State College, New St. Andrews College and the University of Idaho; as well as Latah Economic Development Council, Job Service, and the Idaho Department of Commerce.

1.3.1.G | Palouse Knowledge Corridor

The Palouse Knowledge Corridor ("PKC") is a "brand name" and a concept for the development of knowledge-based industries from University talent and technologies. It is focused on economic development in the Latah County-Whitman County region, particularly in high-technology and research sectors. The PKC committee is made up of representatives from Latah Economic Development Council, Palouse Economic Development Council, the cities of Pullman and Moscow, Washington State University and the University of Idaho and business representatives from each city.

There are more than 20 companies involved in the PKC, which are divided into five industry clusters: electronics, biotech, environmental services, advanced materials and information services. This group is involved in growth planning and management, marketing, community outreach and constituent relations. The PKC has a web site (see Figure 1.8, Palouse Knowledge Corridor Web Site (previous page)), and a marketing committee, and is actively involved in encouraging new business (startups and relocations) in the Moscow-Pullman region.

The vision of the PKC is to create a diverse, vibrant and sustainable economy that respects the social fabric of our communities and our natural environment. PKC also seeks to build a nationally recognized place of research and technology transfer with strong universities that attract, recruit and retain high quality students.
1.3.1.H | The Arts
The City’s position as the “Heart of the Arts” in the Palouse region is a differentiating factor that contributes to economic development both directly (in terms of jobs and sales) and indirectly (in terms of enhanced quality of life). A vibrant arts community contributes to an environment that attracts and retains the “creative class,” as well as professionals who are interested in locating in a City that has small town character and “big city” amenities.

1.3.2 | Challenges

1.3.2.A | Image
To the outside world, Moscow’s image is in many ways tied to the image of the State of Idaho. Historically, Idaho has been known for agriculture. But Idaho’s image is changing. In fact, in March 2008 Boise earned a spot among Forbes.com’s “Top 10 Up-and-Coming Tech Cities.” According to Forbes.com, “In 2006, Idaho ranked seventh nationally in the percentage increase in venture capital investments and 11th in concentration of high-tech workers.” These relatively highly visible departures from the state’s agricultural image will likely ultimately also benefit the City of Moscow with respect to positioning itself for knowledge-based industry.

Moscow’s other image challenge is promoting itself as a community that is friendly to business. This topic is discussed in detail in Section 1.5, Regulatory and Development Approval Environment.

1.3.2.B | Land
Commercial land in Moscow is relatively scarce, and parcels are small and relatively pricey. Additionally, the available nonresidential listings since 2005 suggest that there is relatively slow turnover of nonresidential property. By way of example:

- A quarter-acre lot zoned MB, with approximately 80 feet of frontage on Main Street on the north end of town is listed for $150,000, or $13.77 per square foot.
- A 1.9 acre parcel of land zoned Motor Business (MB) at the corner of A Street and Farm Road is listed for $827,640, or $10 per square foot.
- A 2.45 acre lot east of Farm Road and south of A Street, zoned MB, sold in May 2006 for $550,000, or $5.15 per square foot.
- A half-acre lot in Alturas Technology Park sold in September 2005 for $66,820, or $3.07 per square foot.

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A small parcel on Nelson Avenue zoned MB sold in June 2005 for approximately $3.01 per square foot.

A 1.36 acre lot with Sixth Street frontage near downtown sold in February 2005 for $480,000, or $8.10 per square foot after 357 days on the market.

A four-acre parcel, located north of A Street and east of Farm Road, zoned FR, was listed for $871,200 ($5 per square foot), but sold in 2005 after a 556 day listing for $600,000 ($3.44 per square foot). The FR zoning designation means that the parcel would require rezoning prior to commercial development.

In Pullman, prime retail land has recently sold for $10.00 to $12.00 per square foot, and larger parcels (more than five acres) have recently sold for $2.01 to $4.58 per square foot. The price of land in Pullman is not very different from the price of land in Moscow on a per square foot basis. However, the last five years of commercial real estate listings, show a larger inventory of larger commercial parcels in play in Pullman than in Moscow.

Recent sales in the Highway 270 corridor in Whitman County, Washington include 14 acres for $0.50 per square foot, and another owner is asking $1.00 per square foot for frontage property. Although water may be an issue for development in the corridor, the current pricing of the land is encouraging developers of retail products to seek water rights. Indeed, a developer recently negotiated water rights for a major retail development that is anticipated in the corridor.

1.3.2.C | Income
According to the United States Bureau of Labor Statistics, $1.00 in 2000 was worth the same as $1.20 in 2007. In 2000, per capita income in Moscow was $14,871. That was worth $17,845.20 in 2007 dollars. Since 2007 per capita income was $17,734, incomes -- in real terms -- have been relatively unchanged. Combined with very slow population growth, essentially flat personal income trajectories are a challenge to the growth of retail, restaurant, and personal services segments of the economy. They are also a signal of the need to address the City’s underemployment with better job opportunities in industries that attract dollars to Moscow from elsewhere.

1.4 | Summary of Perceptions of Market Opportunities and Challenges

1.4.1 | Stakeholder Meetings and Surveys
On February 4 and 5, 2008, and again on February 27 and 28, 2008, representatives from Kendig Keast Collaborative met with a broadly representative group of stakeholders (identified by the City) to discuss economic development issues. The
stakeholders represented the Chamber of Commerce, commercial banking, the Latah Economic Development Council, Avista, agriculture, landowners with large holdings, Urban Renewal Agency, retail (of many different types and scales) and restaurant owners, University of Idaho, technical and knowledge-based industries, industrial landowners, redevelopment interests, fuel distribution, Gritman Medical Center, realtors, arts advocates, and City staff. A followup survey was also distributed. The participants’ comments and ideas were remarkably similar.

Among the many stakeholder perspectives is the idea that retail sales and housing construction should not be considered “economic development.” Instead, these sectors should follow growth in the base of living wage jobs in the City. These jobs provide sufficient incomes to support homeownership and significant spending on dining out and purchasing retail products and services.

1.4.2 | Perceptions

1.4.2.A | Perceived Market Opportunities

- All participants agreed that hi-tech industries must be a key part of the City’s economic future. The human resource base, quality of life, and access to university resources and talent give the region a competitive advantage with respect to hi-tech industries.
- The two regional Universities provide an environment in which independent, knowledge-based industries can form and grow. There are several notable success stories in this regard, including EMSI, Comtech AHA, Alturas Analytics, and Eco-Analysts. These companies offer high-paying jobs, and bring dollars in from other places by exporting their products.
- The Business Technology Incubator and Alturas Technology Park provide opportunities to grow local businesses.
- Students are an important part of the economy, and some portion of university graduates could choose to stay in Moscow and become a part of its workforce. The City should coordinate with the University of Idaho to improve student recruitment and retention rates.
- Regional population is aging, and the City offers many amenities that are attractive to retirees, including medical care, culture, and walkable neighborhoods. The City should position itself to be even more attractive to retirees.
- Light industrial businesses (that are not necessarily highly technical in nature) should round out the set of primary jobs that fuel the local economy.
- The City’s position as the “Heart of the Arts” in the Palouse region is a differentiating factor that contributes to economic development both directly (in terms of jobs and sales) and indirectly (in terms of enhanced quality of life).
Many people in the City are underemployed and have skills to bring to better jobs.

Redevelopment in the Legacy Crossing Urban Renewal District could reinforce downtown and provide needed space for knowledge-based business outside of Alturas Technology Park.

1.4.2.B | Perceived Market Challenges

Moscow’s residents have diverse interests. They generate economic energy, but perceive that, for a variety of reasons, some of that energy is being held back. One reason articulated by the focus groups is that there is little articulated consensus regarding the way forward. Accordingly, there was a strong desire for a consensus-based vision for the future physical and economic development of the City.

The City of Moscow and the University of Idaho have many common interests in economic development. However, there is some room for improvement in terms of coordinating their efforts.

There are few resources available for economic development.

Land of appropriate dimensions, zoning, and price for development with modern commercial products is in short supply. Construction costs are also relatively high.

Many commercial buildings are obsolete.

Competition from large-scale retail development across the state line may be a serious challenge for some Moscow retailers, and may limit the growth of others, as available retail dollars in the marketplace are redirected.

The cost of education is increasing, and sophomore retention at the University of Idaho is somewhat problematic.

The region’s water supply is currently limited.

1.5 | Potential Target Business Sectors

1.5.1 | Generally

Figure 1.9, Industry Size and Growth (next page), shows the size and projected growth (through 2018) of various industries in the 83843 and 83844 zip codes (Moscow and some surrounding area). These projections, like the others in this strategy plan, are based on existing conditions and trajectories.
The target industries set out in this section are identified based on:

- Their physical and resource needs;
- The availability of a qualified workforce;
- Their likely impact on the local economy;
- Their potential for growth in jobs, earnings, and income; and
- Their relationships to other industries or needs in the community.

Many of the target industries are small components of the City’s overall economy. That is by design. Since the principal strategy for the creation of “good jobs” is to create them by starting and growing small businesses, it is not expected that large companies will open large facilities in Moscow. Put simply, diversification and strengthening of the City’s economy will be an incremental process.

### 1.5.2 Arts, Entertainment, and Recreation

The Arts, Entertainment, and Recreation sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector is comprised of establishments that:

- Are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing;
- Preserve and exhibit objects and sites of historical, cultural, or educational interest; and
- Operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

Econometric models forecast that 130 jobs will be added to this sector by 2018.28

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28 Source: EMSI
These jobs may not be high-paying (in many cases they will be second jobs), but they contribute to the overall quality of life in the City, which has a positive effect on other economic sectors.

Arts are a key part of the area’s culture, the City’s “creative class” vision, and its quality of place. The City should support its arts community by ensuring that appropriate areas are zoned for “live work” units that could include artist workspace and galleries in a neighborhood with residential character. The City should also invest in public art and ensure that artistic elements are integrated into new infrastructure investments.

1.5.3 | Engineering

Enrollment in the University of Idaho’s College of Engineering has been steadily declining since 2003, but the College of Engineering is still the third largest at the University. Moreover, the University has a nationally recognized Center for Growth in engineering industries which can help the City to retain some of these engineering students when they graduate. Indicative of the regional advantage with respect to engineering is the February 5, 2008 announcement that Schweitzer Engineering Laboratories plans to add nearly 300 jobs to its Pullman headquarters in 2008. Moreover, with innovation and expansion, engineering businesses have great potential to increase earnings and wages over time.

That said, projections for engineering and technical professions in and near Moscow are relatively flat. EMSI projects modest growth in computer systems design and related services (NAICS Code 5415), from 108 jobs in 2008 to 123 in 2018; modest growth in specialized design services (NAICS Code 5414); and modest losses in scientific research and development services (NAICS Code 5417), from 83 jobs in 2008 to 73 jobs in 2018, and architectural and engineering services (NAICS Code 5413), from 178 in 2008 to 160 in 2018.

The strategy with respect to these industries should be one of retention and expansion of existing companies and incubation of new companies. This sector relates well to the goal of retaining more university graduates, promoting living wage jobs, and promoting industries that have relatively low environmental and community character impacts.

1.5.4 | Biological and Environmental Sciences

At present, biological, environmental, and social sciences are a relatively small part of the local economy. However, these are key sectors for technology spin-off from the local universities. Between 2008 and 2018, it is projected that:

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30 Source: EMSI
Environmental consulting services (NAICS Code 54162) will grow from 54 jobs to 61 jobs.

Testing laboratories (NAICS Code 54138, included in architectural and engineering services, discussed in Section 1.5.3, engineering) will be essentially flat, with 25 jobs in 2008 and 24 in 2018.

Particularly important to growing these industries is the availability of affordable, flexible space outside of the BTI. Otherwise, these industries are well positioned with regard to attracting university talent, compatibility with community values, and the creation of “good jobs.”

1.5.5 | Healthcare and Services for the Elderly

Healthcare is a significant sector of the Moscow economy, and will likely grow as the 55+ age cohort grows. Healthcare is also a “knowledge-based,” low-impact, and potentially high-paying industry. It is projected that:

- Services for the elderly and disabled (NAICS Code 62412) will grow by 184 jobs between 2008 and 2018 (from 286 to 470).
- Hospital (NAICS Code 622) employment will grow from 301 jobs in 2008 to 321 by 2018.
- Ambulatory healthcare services (NAICS Code 621, which includes doctors’ offices of various types) will grow from 518 jobs in 2008 to 556 in 2018.

EMSI does not project that jobs will be created in the community care facilities for the elderly (NAICS Code 62331). However, the City should ensure that sufficient land is available for development of these uses, which would be well positioned to serve existing residents in and near Moscow — a projected 1,427 of whom will be older than 75 by 2018.

Moscow’s healthcare industry should grow as the population ages. The industry provides a wide variety of job opportunities from entry level to experienced professional. It also fits the character and needs of the community and the region. The City should ensure that there is sufficient land available to accommodate nursing homes and doctors’ offices.

1.5.6 | Management

One challenge for Moscow’s small companies is that many of them have great ideas that are not matched with expert management and business development skills. As such, there is some room in the local economy for management consultants who can help these businesses succeed. Econometric models show that management consulting services (NAICS Code 54161) will grow from 135 jobs in 2008 to
175 jobs in 2018\textsuperscript{31}. The Chamber of Commerce and Latah Economic Development Council should help these professionals network with the City’s small businesses. The City has a new economic development specialist / Urban Renewal Agency director who should also assist in these efforts.

1.5.7 | Tourism
Stakeholders reported that tourism is a $60 million industry in Moscow. Although tourism jobs are not generally high-paying, they do provide opportunities for student employment and supplemental income. Tourists spend money in the local economy without placing extensive service demands on the City.

The accommodation and food services industry in and near Moscow is projected to grow from 1,945 jobs in 2008 to 2,546 jobs in 2018 -- 31 percent growth\textsuperscript{32}. These jobs are not generally high-paying, but do provide opportunities for students and families to supplement their incomes.

The City should enhance its position vis-a-vis tourism, by expanding its community events (and the marketing of those events); continuing to market itself as the “Heart of the Arts,” actively promoting the arts through arts-related events and festivals; and highlighting its downtown, parks, and access to outdoor recreation opportunities in the region.

1.6 | Regulatory and Development Approval Environment

1.6.1 | Zoning and Economic Development

1.6.1.A | Generally
Zoning regulations, by themselves, are not major factors in promoting economic development. In other words, places with strict zoning and places with no zoning often experience similar challenges with respect to economic development. The objective of zoning regulations is to protect what is valued about the community, and to protect private investment against blighting influences, while minimizing transaction costs (\textit{e.g.,} uncertainty, unnecessarily lengthy approval procedures) and using the power of the free market to deliver desired results.

1.6.1.B | “Over-Zoning” and “Under-Zoning”
If zoning regulations are not crafted and periodically updated so that they respect and use the market, they can present obstacles to economic development. In general terms:

\textsuperscript{31} Source: EMSI
\textsuperscript{32} Source: EMSI
If property is “over-zoned,” that is, allowed to have far more intense buildings than the free-market will build, then property owners will tend to over-value their land, a condition that impedes development.

If property is “under-zoned,” that is, does not allow the intensities or uses that the market demands, then scarcity drives land prices up and/or development chooses to locate elsewhere.

The City’s existing regulations both “over-zone” and “under-zone” non-residential and mixed-use property. This condition contributes to the frustration that is experienced by potential buyers and potential sellers in the marketplace. Examples of “over-zoning” and “under-zoning” are provided for each zoning district in Section 1.6.2, Analysis by Zoning District, below.

1.6.1.C | Relationship to New Comprehensive Plan
Two of the recommendations of the City’s new Comprehensive Plan are:

- Re-write the City’s land development regulations, such that districts create, reinforce, and improve community character rather than just separate uses; and
- Pursue zoning areas to reflect their desired character to minimize administrative costs for development and redevelopment.

Still, there is little doubt that there are many kernels of wisdom throughout the existing regulations, born of political processes that ranged from hard-fought battles to community consensus. As such, an analysis of the existing non-residential and mixed-use zoning districts is provided, in order to inform the development of new districts, or in the interim, amendments to the existing districts to serve economic development objectives.

1.6.2 | Analysis by Zoning District

1.6.2.A | Residential/Office District
The City’s Residential/Office (“RO”) zoning district allows a mix of offices and high density housing. The district allows the adaptive re-use of homes for such uses as professional offices, beauty and barber shops, and graphic artist and photographic studios. The RO district is a good way to provide space for small professional services firms, such as lawyers, architects, engineers, and optometrists.

The RO district is the only district in the City that promotes the adaptive re-use of residential buildings for non-residential uses. However, the district does not allow establishments which “involve substantial fabrication, repair or sale of goods.” As such, certain arts-related uses that may otherwise be desirable (and thrive) in a commercial district with residential character (such as pottery or sculpture studios)
may not, technically, be allowed. Moreover, in the RO district, “galleries” are a conditional use, along with schools, places of worship, libraries, and museums.

To reinforce Moscow’s position as the “heart of the arts,” the RO concept should be used to encourage the adaptive re-use of transitioning residential neighborhoods for artist live-work spaces. In this respect, the City should create a new district or modify the RO district language to allow galleries as a permitted use and expand the permitted uses to allow for a broad range of artist studios as ways to promote infill and adaptive re-use of existing residential buildings.

Finally, the RO district occupies only 14.7 acres. A significant portion of those 14.7 acres are occupied by a retirement home, a church, and a public agency. These uses are not consistent with the notion of adaptively re-using residential buildings or infilling lots with non-residential buildings that have residential character.

In order to accommodate a broader range of uses, additional areas for RO-type zoning should be identified. For example, such a zoning concept could be one way to help the market upgrade the character of the neighborhood between downtown and Highway 8 (currently zoned R-4). An arts neighborhood in this location would have the potential to add synergy to the attracting power of downtown.

1.6.2.B | Neighborhood Business District

The Neighborhood Business (“NB”) zoning district is a neighborhood-scale commercial district that applies to parcels proposed for development that are less than two acres. Consumer retail and restaurant uses, personal services, professional offices, neighborhood services, and places of worship are permitted uses, as is residential development. Schools, large day care facilities, and uses “involving the assembly, treatment, processing, or fabrication of consumer products to be sold at retail on the premises” are permitted as conditional uses.

Required setbacks are: front, 20 feet; side ten feet; and rear, twenty feet. No open space is required outside of the setbacks. Buildings may be as tall as 40 feet.

The City currently has 8.6 acres zoned Neighborhood Business. Most of the land is put to institutional use: the alternative high school, a funeral home, and a church. There is also a multifamily building. The only true “neighborhood business” uses are a convenience store and a low-scale “medical mall.”

There is little to differentiate the NB district from other districts. From the perspective of permitted uses, it is much like the Central Business district. The City should re-work the district to ensure that it serves its intended purpose, by implementing building scale and character regulations and minimum “green” open space requirements on neighborhood business lots.

There is little guidance in the zoning code about how such a use would be treated.
1.6.2.C | Research, Technology and Office District

The Research, Technology and Office (“RTO”) zoning district is “created to take advantage of technology developed and expertise available at the University of Idaho and the transfer of technology to the private sector.” Permitted uses include research and development (including prototyping products or processes), and the following uses, provided that they support such research and development:

- Light manufacturing;
- Professional, executive, and clerical offices;
- Financial services;
- Publishing houses;
- Eating and drinking establishments (with some restrictions); and
- Various types of day care facilities.

In the RTO district, the general rule is that all commercial activities must take place within an enclosed building. Heavy manufacturing, outdoor storage and warehousing are not allowed. There are no specified open space requirements, although the required 25 foot front setback area must be landscaped. Buildings may be as tall as 65 feet.

RTO zoning is currently applied only to the 12.8-acre Alturas Business and Technology Park. The Park is slowly developing, but there is little evidence that “under-zoning” or “over-zoning” is slowing progress there. Indeed, the challenges for Alturas are: (1) the research and technology companies that would locate there are a relatively small fraction of the economy; (2) no one has taken the risk of building speculative or specialized rental office/lab space in the park; and (3) many businesses will not commit the money necessary to build a new building, because they either do not have it, or they would rather allocate the money to personnel or equipment that generate income. Still, some buildings have been constructed, and, on the whole, the RTO zoning district and Alturas Business and Technology Park are success stories.34

Some stakeholders expressed the opinion that the RTO district is “too restrictive.” However, rather than make the RTO district less restrictive, the City should provide alternative locations for businesses that cannot locate in the RTO district because they cannot, as a practical matter, comply with its requirements. A conceptual industrial park that could meet some of these needs is provided in Chapter 3, Industrial Sector Report.

1.6.2.D | Central Business District

The Central Business (“CB”) zoning district is the City’s most intensive commercial zoning district. It is intended for businesses that have “the common character-

34 Additional discussion about Alturas Business and Technology Park is provided elsewhere in this Chapter.
istic of not involving more than incidental and minimal assembly, fabrication or storage of commodities,” such as retail and personal services businesses. The CB district is mapped over the City’s downtown, and is not intended for areas outside of downtown. In the CB district, there is no yard, lot size, or parking requirement. Buildings may be as tall as 65 feet.

The CB district encompasses 63.2 acres and is essentially built-out. The core part of the CB district is the downtown historic district. There are few vacancies in the district. Because parking is in relative equilibrium in the CB district, it should retain its current dimensions, at least until additional public parking is developed.

1.6.2.E | General Business District
The General Business (“GB”) zoning district is like the CB district. However, in the GB district on-site parking is required for all uses. Only 17.2 acres of land is zoned GB, all in close proximity to downtown. Buildings may be as tall as 65 feet.

The GB district, or a variant thereof, should be applied to the Legacy Crossing Urban Renewal District and the areas between downtown and the University that are recommended for redevelopment in the City of Moscow Comprehensive Plan, in order to ensure that parking is provided for the uses that will locate in these areas. Parking reductions due to shared arrangements should be permitted to maintain an urban character in the redevelopment areas.

1.6.2.F | Motor Business District
The Motor Business (“MB”) zoning district is intended “to provide for the location and grouping of compatible uses having similar operation as they involve enterprises which depend primarily on the transient motor vehicle-based trade.” Put simply, the MB district is for uses like restaurants, drive-through facilities, retail stores, strip shopping centers, shopping malls, car dealers, gas stations, car lots, offices, services, laundromats and drycleaners, places of worship, overnight accommodations, and self-storage.

Conditional uses in the MB district include day cares, schools, warehouses and wholesale uses, and two classes of “large scale retail.” “Large scale retail is divided into “Category 1” and “Category 2.” “Category 1” has a floor area between 39,999 square feet and 65,000 square feet. “Category 2” has a floor area that is greater than 65,000 square feet.

Special uses are public service uses (e.g., fire stations, police stations, courthouses, jails, telephone switching facilities, and electric substations); hospitals and nursing homes; and light manufacturing.

Yards that face streets must be 10 feet deep. There is no specified maximum height in the MB district.
The Motor Business district is the predominant non-residential district in the City. Indeed, the district’s 415 acres represent 2.25 times more land than all other non-residential and mixed-use (non-university) districts in the City, combined. However, the motor business district is not well calibrated to the market. It is “over-zoned” in that there is little in the way of bulk controls. It is also “under-zoned” because property that is suitable for development with modern commercial products (that is, appropriate size, dimensions, and access) is scarce.

The MB district should be re-worked to better calibrate it to the market, to provide incentives for assembly and redevelopment of outmoded and obsolete commercial buildings and sites, and to upgrade the character of landscaping, buildings, and site improvements.

1.6.2.G | Industrial District

The Industrial (“I”) District is designed to provide a “protective” environment for sound industrial development. The district permits:

- Any manufacturing, processing, assembling, research, wholesale or storage use (except those listed as conditional or special uses).
- Railroad yard and freight stations, trucking and motor freight stations and facilities.
- Public and public utility service buildings, structures and uses.
- Automobile, truck, and heavy equipment service stations and garages.
- Gasoline service stations.
- Building materials sales yards.
- Public off-street parking facilities, whether publicly or privately owned or operated.

Conditional uses include:

- Caretaker/watchman dwelling;
- Retail, office, or service uses;
- On-site day care as a service to employees; and
- Commercial schools related to, or supportive of, industrial uses.

Special uses include:

- Junk yards;
- Concrete or asphalt batch or mixing plants;
- Chemical plants;
Meat packing plants; and

Heavy manufacturing.

The industrial district has a 10-foot front setback requirement, no minimum side or rear yard requirements, and no limitation on height.

As of March 2008, there are 68 acres of property zoned Industrial. Almost three-quarters of that land is located in a narrow band along Highway 8, between Styner Avenue and Sixth Street. However, that area is anticipated for redevelopment with urban mixed-use products (a process which will require rezoning). These new real estate products might include research facilities, but they are not likely to include what are traditionally considered as “industrial” uses.

The Industrial district is “under-zoned,” in that there is not enough land zoned industrial to build the industrial uses that the City wants and needs. The “safety valve” for the lack of available land with Industrial zoning is the Motor Business district, which allows light industry as a special use.

On a parcel-by-parcel basis, the Industrial district is also “over-zoned” in that the only meaningful bulk requirement is a ten foot front setback. There are not other height or setback requirements, although there are buffer requirements for parcels that abut other districts.

The Industrial district should be re-written to reduce the theoretical development potential of industrial property to an intensity that is more closely approaches the realities of the marketplace, and to require some additional “green” open space among public rights-of-way. Finally, the City should proactively rezone property for industrial use in a manner that is consistent with the Future Land Character map in the Comprehensive Plan. A conceptual plan for an industrial park fronting on Palouse River Drive near Highway 95 is provided in Chapter 3, Industrial Sector Report.

1.6.2.H | Agriculture/Forestry District

The purpose of the Agriculture/Forestry (“AF”) zoning district is to foster agriculture and forestry, while providing for some compatible low-density/low-intensity development. Permitted uses include agriculture, forestry, small sawmills, home occupations, single-family homes, family and group day cares, bed and breakfasts, and rental units.

Conditional uses include: self-storage; commercial stables; golf courses; parks; gun clubs; recreational resorts; antenna towers; airports; carnivals; wastewater treatment plants; places of worship; schools; meeting halls; small and large day care facilities; feedlots; and rural businesses. Special uses include: RV parks; public service and utility facilities; and cemeteries.
The minimum lot size is 40 acres, although a 40-acre parcel can be divided into two parcels, provided that neither is less than one acre. Setbacks in the district are: front, 20 feet; side and rear, 35 feet (principal building) and ten feet (accessory building); street side, 20 feet. There are no height limitations or open space requirements.

The large minimum lot size and limited set of permitted uses will naturally limit development in this district. However, the character of the district should be further protected by establishing minimum “green” open space requirements, particularly for conditional and special uses like self-storage and RV parks, which under the existing regulations, could be developed in a manner that is out of character with the rest of the district.

1.6.2.I | Farm, Ranch, and Outdoor Recreation District
The Farm, Ranch, and Outdoor Recreation (“FR”) zoning district is intended to permit agricultural, outdoor recreation, and other “open land uses” to be maintained, and to set standards for similar new development. The FR district is essentially a “holding zone” that is applied to property until someone proposes new development.

Permitted uses include single-family homes; agriculture; parks; and group day care. Conditional uses include home occupations; places of worship; schools; small day care; veterinary offices; feet lots; driving ranges and miniature golf; antenna towers; bed and breakfasts; boarding houses; libraries; and rental units. Public service and utility facilities are allowed as special uses.

The minimum lot size in the FR district is three acres, and the minimum width is 80 feet. Setbacks are: front, 25 feet; side street, 17 feet; side, 15 feet combined, but not less than five feet; and rear, 20 feet. There is no minimum open space requirement. The height limit is 20 feet, but with additional setbacks, height may be permitted up to 35 feet.

There are 398.8 acres of FR-zoned land in Moscow, representing between eight and nine percent of the total land area of the City. Since much of this land is zoned FR as a “holding” strategy, proactive rezonings will reduce the inventory of FR-zoned land, increasing the inventory of in other districts.

1.6.2.J | Residential Districts
The City has five residential zoning districts: Suburban Residential (“SR”); Low Density, Single Family (“R-1”); Moderate Density, Single Family (“R-2”); Medium Density Residential (“R-3”); Multiple Family Residential (“R-4”). All of them allow some commercial activity as a conditional or special use. The commercial activities that are allowed, and the approval procedures that are required to authorize the uses, are set out in Table 1.9, Non-Residential Uses in Residential Districts.
1.6.3 | Development Approval Procedures

1.6.3.A | Conditional Uses

**Generally.** The zoning code defines “conditional use” as follows:

Conditional Use. “Conditional use” means a use permitted in one or more zoning district as defined by this Zoning Code but which, because of characteristics peculiar to such use, or because of size, technological processes or equipment, or because of the exact location with reference to surroundings, streets and existing improvements or demands upon public facilities, requires a special degree of control to make uses consistent with and compatible to other existing or permissible uses in the same zoning district(s).35

The Quasi-Judicial Format. Conditional uses are decided by the Board of Adjustment, using a procedure called a “Type 1 Quasi-Judicial Hearing.” A “quasi-judicial” hearing is an administrative procedure in which facts are found, and rights are adjudicated according to law. “Quasi-judicial” hearings have some of the attributes of a court hearing -- fair notice, an impartial decision-maker, and a meaningful opportunity to be heard -- but are not subject to formal rules of evidence. In a quasi-judicial hearing, fact-finding should not reach too far beyond the scope of the standards by which the application is to be judged.

Timing of Development Review. According to the City’s zoning code, applications that are decided by “Type 1 Quasi-Judicial Hearing” are heard by Board of

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Adjustment 21 to 60 days after they are filed.36 During the processing period, notice is provided within a certain radius at the applicant’s expense. At the conclusion of the hearing on the application, the Board of Adjustment may: approve the application, deny the application, approve the application with conditions, table the application, or schedule a continuation of the hearing at a specified time and place.37

**Standards.** In a quasi-judicial format, standards should be sufficient to reign in the discretion of the decision-maker. In other words, discretion is allowed, but decision-makers should reach consistent decisions when considering similarly situated properties. It is in that context that the standards for conditional uses should be considered. The standards that apply to all conditional uses (all of which must be met to obtain a permit) are:

- The proposed use will not endanger the public health or safety if located where proposed and . . . will not result in conditions which will tend to generate nuisances (including but not limited to noise, dust, glare, vibrations, odors and the like).
- The proposed use meets all applicable development standards of the Zoning Code.
- The use will not be injurious or detrimental to adjoining properties or the neighborhood.
- The proposed use is a public necessity or is justified by the applicant and deemed by the Board of Adjustment to be of benefit to the public.
- The character of the proposed use, if developed according to the plan as submitted, will be in harmony with the area in which it is to be located.
- The proposed use will not endanger the public health or safety.38
- The proposed use will not conflict with the Comprehensive Plan.

The general standards for conditional use approval are not uncommon (and are probably constitutionally sufficient), but as a practical matter, they are in many cases too nebulous to assure consistency and predictability in such decisions.

Consequently, to become more business-friendly, the City should use more carefully tailored standards for its conditional uses and eliminate nebulous standards. For example, for uses that impact the character or aesthetics of adjoining property, the City could require a planted buffer of a specified size and opacity; limit the floor area ratio of buildings; or establish architectural standards. For uses that tend to create traffic circulation problems in neighborhoods, the City could require frontage on and access from streets of collector or arterial functional classification.

36 Section 8-4.A., Zoning Code.
38 Note that the standard “The proposed use will not endanger the public health or safety” is repeated in the first and sixth standards in the original text.
**Conditions of Approval.** The final item to consider with respect to conditional uses is the conditions of approval that may be placed on them. Section 8-4.D., Zoning Code, provides:

Conditions of Approval: The Board of Adjustment may impose conditions including, but not limited to, those (1) minimizing adverse impact on other development; (2) controlling the sequence and timing of development; (3) controlling the duration of development; (4) assuring that development is maintained properly; (5) designating the exact location and nature of development; (6) requiring the provision for on-site or off-site public facilities or services; (7) requiring more restrictive standards than those generally required in an ordinance; and/or (8) requiring mitigation of effects of the proposed development upon service delivery by any political subdivision, including school districts, providing services within the planning jurisdiction.

To become more development friendly, the City should reign in the power of the Board of Adjustment to impose conditions on proposed development, for example, by deleting item number seven, which could easily be used to unfairly restrict the use of property. The authority to impose conditions should focus on improving design, not reducing potential (unless the infrastructure to support the development is not available). Moreover, contributions to off-site infrastructure should be taken in fundamentally fair ways, such as (but not limited to) impact fees. Conditions should be narrowly tailored to address specifically identified impacts.

**1.6.3.B | Special Uses**

The zoning code defines “special use” as follows:

*Special Use.* “Special use” means a use permitted in one or more zones as defined by this Zoning Code but which, because of characteristics peculiar to such use, or because of size, technological processes or equipment, or because of the exact location with reference to surroundings, streets and existing improvements or demands upon public facilities, requires a special degree of control to make uses consistent with and compatible to other existing or permissible uses in the same zoning district(s). Special uses are distinguished from conditional uses by their potential impact on the entire community as opposed to a specific neighborhood, and are therefore judged for compliance with the Moscow Comprehensive Plan by Board of Adjustment.

Even though the definition suggests that special uses are uses of potentially greater impact and therefore subject to increased scrutiny compared to condi-

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39 Even if the applicant has a right of appeal to the City Council to contest an allegedly unfair condition of approval, the appeal itself is a procedural step that should generally be made unnecessary due to standards that focus the conditions that can be imposed by the Board of Zoning Appeals.

tional uses, the standards and procedures for special uses and conditional uses are identical. As the definition suggests, Section 8-5.B.7., Zoning Code requires the Board of Adjustment to evaluate special use applications for compliance with the Comprehensive Plan (“The proposed use will not be in conflict with the Comprehensive Plan.”). Yet, Section 8-4.B.7., Zoning Code, pertaining to conditional uses, requires exactly the same thing.

From an economic development perspective, the “special use” should be abandoned in favor of the conditional use, as improved according to the recommendations of the previous section. However, if there is a need for an elevated level of review for certain uses, then the special use provisions should be modified accordingly to provide differentiation of standards and/or procedures.

1.6.4 | Taxes

The key taxes in Moscow are the state sales and use tax, the property tax, the state income tax, and the corporate income tax. Businesses will pay six percent sales and use tax on supplies, 16.998878 mills (about $17 per $1,000 of taxable value) on property, and a 7.6 percent corporate income tax (if the business is incorporated). Income tax is paid on the net income of the business. See Table 1.10, 2008 Tax Rates in Moscow and Pullman.

<table>
<thead>
<tr>
<th></th>
<th>Moscow</th>
<th>Latah County</th>
<th>Pullman</th>
<th>Whitman County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Use Tax</td>
<td>6.0%</td>
<td>6.0%</td>
<td>7.8%</td>
<td>7.8%</td>
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<tr>
<td>Property Tax*</td>
<td>16.998878 mills**</td>
<td>10 to 14.7 mills</td>
<td>13.5387 mills</td>
<td>8.5857 to 16.7865 mills</td>
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<tr>
<td>Personal Income Tax</td>
<td>1.6% to 7.8%</td>
<td>1.6% to 7.8%</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Corporate Income Tax***</td>
<td>7.6%</td>
<td>7.6%</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

Business and Occupation Tax****

<table>
<thead>
<tr>
<th></th>
<th>Moscow</th>
<th>Latah County</th>
<th>Pullman</th>
<th>Whitman County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailing</td>
<td>None</td>
<td>None</td>
<td>0.471%</td>
<td>0.471%</td>
</tr>
<tr>
<td>Wholesaling</td>
<td>None</td>
<td>None</td>
<td>0.484%</td>
<td>0.484%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>None</td>
<td>None</td>
<td>0.484%</td>
<td>0.484%</td>
</tr>
<tr>
<td>Service and Other Activities</td>
<td>None</td>
<td>None</td>
<td>1.5%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

* A number of potential property tax exemptions/reductions are available in each state. Tax rates shown include assessments from all taxing authorities.
** A “mill” is one-tenth of one percent.
*** Corporate income tax is a tax on net income.
**** Business and occupation tax is a tax on gross receipts. It is charged whether or not there is net income.

Across the state line, sales and use tax is 7.8 percent and property tax is 13.5387 mills in Pullman and 8.5857 to 16.7865 in unincorporated Whitman County (depending upon location). Washington does not have a personal income tax or corporate income tax. However, Washington taxes the gross receipts of businesses at
a rate of 0.471% to 1.5%, depending upon the type of business. The relationship between Idaho’s corporate income tax and Washington’s business and occupation tax is illustrated as follows:

- Retailers that generally make less than 6.2 percent net profit on their gross sales are better off paying Idaho corporate income tax than Washington business and occupation tax.
- Service businesses that generally make less than 15.75 percent net profit on their gross sales are economically better off paying Idaho corporate income tax than Washington business and occupation tax.

From a tax perspective, Moscow is a good place for startup companies in the region. Sales and use taxes (which may affect the price of supplies) are lower than in Washington, and corporate and personal income taxes are levied against net profit and net income, respectively (most startups will not show net profit in the first few years). For retailers, people may cross the state line for larger purchases because the sales tax in Idaho is lower than the sales tax in Washington.
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2.0 | Introduction

The great majority of people surveyed and interviewed during the development of this Plan said that “good jobs” should be sought and developed first, and retail would naturally follow. However, it does not follow that an increase in salaries and diversity of employment in Moscow will lead to more retail development in the City. That is, regionally competitive products have the alternative to locate near the City rather than in it.

In addition, Moscow has a large share of “out commuters” who leave the City during the day to work elsewhere. That means that a share of their retail dollars are spent outside the City as a matter of convenience. In this respect, creating a jobs-housing balance in the City is, itself, a retail development strategy.

This Chapter details ways in which Moscow can build its capacity and maintain its competitive edge in an evolving regional environment concurrently with its work on expanding opportunities in other parts of its economy. It specifically evaluates retail trade in Moscow by major North American Industrial Classification System (NAICS) categories (Section 2.1, Retail Trade by Major Categories), and provides strategies for recapturing dollars from existing retail “gaps.” The “gaps” are segments of the retail market in which residents are spending significant amounts of money outside the City or the region (Section 2.2, Retail Development Strategy). The Chapter then provides recommendations with respect to improving the overall competitive position of the City with respect to retail (Section 2.3, Gaining Competitive Advantage).

Retail is important to the City in several respects. First, the selection of retail offerings in the City affects the quality of life for the City’s residents. Second, retail uses collect sales tax, some of which is returned to the City. Third, retail property owners pay more property tax per dollar of market value of their land than homeowners, and property tax is the principal source of revenue that funds City services.

1 In 2006, a study by Jon Miller, et al. entitled “A Study of Modest Population Growth and Rising Economic Prosperity” estimated that 2,300 people from Latah County commuted to Whitman County to work, while only 978 people commuted the other way.
2.1 | Retail Trade by Major Categories

2.1.1 | Generally

2.1.1.A | Overall Retail Performance in Moscow
In the Latah County-Whitman County region, residents of Moscow account for
27.9 percent of the $1.12 billion in total retail expenditures. Moscow’s retail estab-
lishments account for 39.9 percent of the $765,330,000 in gross retail sales in
the region. Moscow is an established regional retail center with regard to several
major retail categories.

Claritas, Inc. estimates that there was
$305,531,769 in retail receipts (including
eating and drinking establishments) in
Moscow in 2007. The “gap” between retail
“supply” (sales within the City limits) and
retail “demand” (purchases by City resi-
dents at any location) was $4,814,338. The
gap is narrow -- just 1.55 percent of total
retail demand. Put another way, Moscow’s
retailers take in 98.45 percent of the total
amount of money that Moscow residents
spend on retail. See Figure 2.1, Moscow
Leakage (previous page).

That is not to say that every Moscow
resident spends 98.45 percent of their
retail dollars in Moscow. Of course, oth-
ers come into the City and spend money,
and Moscow residents leave the City and
spend money elsewhere. But, since dol-
ars are fungible, Moscow’s overall retail
picture is currently relatively balanced.

2.1.1.B | Regional Retail
Performance
Although Moscow’s overall retail picture
is balanced, in 2006 there was a $346.7 mil-
lion “gap” in the Latah County-Whitman
County region. That gap -- money lost to
the region -- is 31 percent of the retail dollars that residents of the two counties
spent. It is anticipated that much of that money was spent in the Spokane and
Lewiston-Clarkston areas. See Figure 2.2, Regional Leakage.
2.1.2 | Retail Performance by Major Category

Historically, Moscow has been a regional retail center. In that role, the City should have a “surplus” of retail sales, as a significant share of the region’s retail demand would be met by Moscow retailers. In fact, in several major retail categories (defined by the first three digits of their NAICS codes, see Figure 2.3, NAICS Codes), there was a “surplus” in 2007 including:

- Food and beverage stores (NAICS code 445) sales were $81.4 million. Moscow’s residents spent $35.6 million, so the surplus was $45.8 million.
- Sporting goods, hobby, book, and music stores (NAICS code 451) sales were $15.2 million. Moscow residents spent only $8.9 million, resulting in a surplus of $6.3 million.
- Gasoline stations (NAICS code 447) sold $37.5 million. Moscow residents spent only $32.2 million, so the surplus was $5.3 million.
- Foodservice and drinking places (NAICS code 722) sold $37 million in 2007. Moscow residents spent $32.2 million. The surplus was $4.8 million. All of the surplus is attributable to limited service eating places (NAICS code 7222), which made up for gaps in other subsectors of the foodservice and drinking places sector by showing a surplus of $8 million.
- Miscellaneous store retailers (NAICS code 453) sold $10.9 million in 2007. Moscow residents spent $8.5 million. The surplus was $2.4 million.
- General merchandise stores (NAICS code 452) sold $39.6 million. Moscow residents spent $37.3 million, so the surplus was $2.3 million.
- Electronics and appliance stores (NAICS code 443) sold $10.2 million. Moscow

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2 NAICS stands for North American Industries Classification System. It is a standardized, hierarchical way of classifying businesses. For more information about NAICS codes, see http://www.naics.com.

3 Miscellaneous store retailers include florists, office supplies, stationary, gift stores, souvenir stores, used merchandise stores, and other stores.
residents spent $8.4 million, so the surplus was $1.8 million. This sector was
carried by household appliance stores (NAICS code 443111), which had a sur-
plus of $3.5 million. Other subsectors showed gaps.

- Furniture and home furnishings stores (NAICS code 442) sold $6.96 million in
2007. Moscow residents spent $6.91 million. The surplus in this sector was a
modest $46,039.

The total surplus in 2007, among these major sectors that showed surpluses, was
$69.4 million. It follows that the slight overall retail gap in the City ($4.8 million)
was caused by significant gaps in other major retail sectors. For example:

- Moscow residents spent $65.3 million at motor vehicle and parts dealers
(NAICS code 441). In Moscow, these dealers sold $30.3 million. The gap was
$35 million – offsetting more than half of the surpluses of the major sectors
that produced surpluses in 2007. The most significant share of this gap was at-
tributable to automotive dealers (NAICS code 4411), which sold $25.6 million
in 2007, meeting only 55.4 percent of the City’s demand of $56.4 million.

- In 2007, Moscow residents spent $20 million at non-store retailers (NAICS
code 454), which include electronic shopping (e.g., e-commerce), catalog sales,
and direct sales (e.g., door-to-door sales and delivery services). Only $4.3 mil-
lion were supplied by businesses in the City. The overwhelming share of the
$15.7 million gap is due to the fact that there are no electronic shopping / mail
order houses (NAICS code 4541) in Moscow.

- Building material and garden equipment stores (NAICS code 444) sold $15.2
million in 2007, which is only 56 percent of the City’s demand of $27.1 million
(the gap was $11.9 million). Every subsector of this major sector showed gaps
between demand and supply.

- Moscow residents spent $15.9 million at clothing and clothing accessories
stores (NAICS code 448). Moscow’s retailers in this sector sold $8.3 million.
The gap was $7.6 million.

### 2.2 | Retail Development Strategy

#### 2.2.1 | Generally

The overall retail development strategy to strengthen retail sales in Moscow is to:

1. Ensure an adequate supply of land is available for commercial use by adding
35 to 50 acres of land with appropriate visibility and access to the retail inven-
tory.\(^4\) The Future Land Character map of the Comprehensive Plan shows ap-
proximately this amount of undeveloped land as auto-urban commercial – to

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\(^4\) See Section 2.3.1.C, Land, for the methodology behind this calculation.
the south of Palouse River Drive and fronting on Highway 95 in the southern part of the City.

2 | Work towards becoming “the place to be” for unique and specialty retail in the region by: developing clusters with critical masses of synergistic retailers; strengthening the organization of downtown merchants and building owners; promoting better maintenance of buildings and streetscape downtown; promoting further restoration of historic buildings; promoting programming (e.g., music, magic, and events) in public spaces downtown; and encouraging business operators to keep later hours.

3 | If the opportunity exists in light of large-scale retail development that is anticipated across the state line, attract a scaled-down home center (e.g., an “urban format” Home Depot with a small footprint) and general merchandise store (e.g., a Target) to strengthen Moscow’s position as a retail “center of gravity” in the region. This strategy will only work if similar stores have not already committed to locate across the state line.

4 | Encourage retailers to integrate electronic commerce with a high level of service, in order to continue sales to loyal UI and WSU customers who graduate and leave the region, as well as sales to others around the country and around the world; train retailers to improve their on-line presence and visibility, and to efficiently close and fulfill on-line sales.

5 | Upgrade the appearance and function (e.g., parking and access) of retail areas.

6 | Strengthen the Chamber of Commerce and provide assistance through the Chamber (e.g., coordination of maintenance efforts of downtown merchants, lectures about e-commerce, and business-to-business networking) to help implement the retail development strategy; work with the Chamber and the Latah County Economic Development Council to blend their services more effectively; and emphasize customer service at local businesses to set them apart from other businesses in the region.

7 | Provide zoning incentives for assembly and redevelopment of outmoded retail properties, such as additional intensity or height (to accommodate residential uses), or minimum parcel sizes for mixed-use development.

Additional strategies for developing each type of retail for which a significant “gap” between spending and sales was identified by Claritas, Inc. in 2007 are provided in the sections that follow.
Chapter 2: The Retail and Non-Retail Trade Sector

2.2.2 | Motor Vehicles and Parts Dealers

2.2.2.A | Development Strategy
In 2007, there was a $35 million gap between demand and supply in the motor vehicle and parts dealers market in Moscow, and a $132.6 million gap in the region. This sector is particularly challenging in Moscow because it is land intensive, and there are few opportunities for expansion of existing dealers that do not involve relocation. In the context of this challenge, one of Moscow's dealers recently announced that it will move to Whitman County, Washington along the Highway 270 corridor.

Another challenge is that motor vehicle dealers are usually relatively unpopular land uses. They need large expanses of pavement (or very expensive parking structures) for vehicle storage, and typically desire large signage and bright lighting. Whether to try to close the gap in automotive sales is a question of policy for the City Council.

If the City Council chooses to promote expansion of its motor vehicle dealerships to narrow the gap in motor vehicle sales, the following steps should be considered:

1. Ensure that there is an adequate supply of appropriately zoned land with appropriate geometry and visibility for one or two automotive dealerships, and that the zoning code does not unnecessarily impede existing dealers from relocating or expanding.

2. Encourage top-quality service to differentiate the dealers from their regional competitors.

3. Require automotive and other motor vehicle dealers to maintain a quality appearance in terms of streetscape, signage, and building character, so that they contribute positively to community character -- making them an attractive alternative for regional purchasers when compared to a trip to Spokane.

5. Continue to allow auto parts stores in the motor business zoning district (or a comparable successor zoning district).

2.2.2.B | Automotive Dealers
Eighty-eight percent of the $35 million gap in the motor vehicles and parts dealers category is attributable to the automotive dealers subcategory, which had a gap of $30.8 million. Regionally, the gap for automotive dealers is $132.6 million. Because of its location and relatively small market-area population, Moscow is not likely to

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5 Source: Claritas, Inc.

6 Spokane is a leader in car sales in part because of its critical mass of dealerships that provide an excellent selection of makes and models. However, in one of the most concentrated areas of car dealerships in Spokane, there are massive expanses of concrete and pavement and few trees. Accordingly, well designed dealerships with an increased selection could make Moscow an attractive alternative to Spokane for some purchasers.
become a major hub for auto sales. Spokane has the clear advantage for automobile dealerships in terms of access, critical mass, and market-area population.

Still, there may be a few opportunities that are not yet tapped. The following are suggested by way of example:

- The Subaru dealer is located in the Legacy Crossing Urban Renewal District. It may seek to expand. The City should consider ways to assist in the expansion effort, which should involve upgrades to the physical character of the dealership.

- There may be room in the market for additional makes. For example:
  - The closest Nissan dealer is in Spokane, although it used to be located in Lewiston. Still, there are 843 Nissans registered in Latah County. Nissan offers several affordable outdoor sports-oriented vehicles and economy cars priced below $20,000 that would appeal to four well-represented “Lifestyle Segments”:
    - “Young and Rustic” and “Greenbelt Sports,” which together represent 16.7 percent of the City’s households; and
    - “City Startups” and “Mobility Blues,” which together make up 23.87 percent of the City’s households.
  - There are 400 Volkswagens registered in Latah County. The nearest dealer is in Spokane. Volkswagen offers a relatively broad variety of products, from economy to family to performance, including a model that was on Forbes.com’s list of “Best Cars for College Students” in 2008. A Volkswagen dealer could appeal to a variety of potential purchasers in Moscow.

2.2.2.C | Other Motor Vehicle Dealers

“Other motor vehicle dealers” (NAICS code 4412) is a broad classification that includes recreational vehicles, golf carts, motorcycles, mopeds, boats, personal watercraft, aircraft, all-terrain vehicles, and utility trailers. In addition to automobile sales, there are at least four Moscow businesses that are considered “other motor vehicle dealers” under the NAICS system (code 4412), selling motorcycles, scooters, and ATVs. There are two additional motorcycle dealers in Pullman.

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7 It is possible that new makes will be more attracted to land along Highway 270 in Washington, which has higher visibility, larger parcels, and lower land costs than land in Moscow.

8 Of course, many among these lifestyle segments are transient populations that move through the City every few years; many will have vehicles that are registered elsewhere; and consequently, many may not be in the market for a new car. Yet some will be, and, of course, so will their counterparts in Pullman, as well as other residents in Moscow. In addition, there are service opportunities for the 843 Nissans that are currently registered in the county, plus the dynamic number of Nissans that reside in the county while their owners attend school, and many others in Whitman County.
In Moscow, there is a $3.3 million gap between demand and supply for “other motor vehicle dealers.” Regionally, the gap is $14.5 million. If there is sufficient available land, the regional gap may be sufficient for existing Moscow dealers to expand, or for additional dealers to enter the market. The challenge is that NAICS code 4412 is fairly broad, and since data is not available at the five-digit industry level, it is not clear what types of “other motor vehicles” are being sought elsewhere -- or whether there is sufficient demand for any one type of vehicle to support a new or materially expanded store.

2.2.2.D | Auto Parts

Auto parts and accessories (NAICS code 4413) showed a $919,805 gap in Moscow. However, regionally, there is a surplus of $298,000. In other words, the auto parts market is relatively balanced. Moreover, part of Moscow’s gap may be purchases elsewhere by students who do not live in Moscow year-round.

The auto parts gap is not a major component of the overall retail picture, and may ultimately close itself. If there is room in Moscow’s market for auto parts, it would be on the order of 3,500 to 5,200 additional square feet, which could be added to existing stores or be in the form of a small new store (the median auto parts store expects to earn on the order of $177 per square foot). This would take place without City intervention.

2.2.3 | Non-Store Retailers

2.2.3.A | Development Strategy

There is some opportunity for further development in the non-store retail category, particularly in the electronic shopping, mail order houses (NAICS code 4541) and direct selling establishments (NAICS 4543) categories. The non-store retail category should develop in conjunction with efforts to work with local retailers to integrate bricks-and-mortar and on-line operations (discussed in Section 2.3.1.D, Organization).

2.2.3.B | Electronic Shopping, Mail Order Houses

In Moscow, the gap between demand and supply for non-store retailers, that is, electronic shopping, mail order houses (NAICS code 4541); vending machine operators (NAICS 4542); and direct selling establishments9 (NAICS 4543) is $15.7 million. Regionally, the gap is $22.3 million. The gap is almost all attributable to electronic shopping and mail order houses, which do not currently exist in Moscow.10

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9 Direct-selling establishments include such businesses as door-to-door sales, bottled water service, and temporary stands.

10 Vending machine operators show a $281,555 gap, most likely attributable to purchases at Washington State University and other places of employment outside of the City. This minor gap is likely to close only if more people who live in Moscow also work in Moscow.
Moscow’s residents spent $15.5 million in 2007 at electronic shopping and mail order houses and residents of the region spent a total of $48.3 million. Regionally, businesses in this sub-category sold $31.3 million.

The NAICS code for electronic shopping, mail order houses does not differentiate merchandise lines, and therefore, it is not possible to assess, based on available data, what Moscow residents are shopping for on-line, and how that might be met by local retailers. However, the next section of this chapter sets out a strategy for local retailers to position themselves to increase their share of on-line sales by integrating bricks-and-mortar operations with on-line sales.

2.2.3.C | Direct Selling Establishments
Direct selling establishments had a slight surplus of $71,000, but a regional gap of $3.3 million. As such, there appears to be room in the regional market for direct selling establishments to locate in Moscow. That is because Moscow has good access to the region via Highways 8 / 270 and 95.

2.2.4 | Building Material and Garden Equipment Stores

2.2.4.A | Development Strategy
Claritas provides data on the building material and garden equipment stores category (NAICS code 444) at the level of “home centers” (NAICS code 44411); “paint and wallpaper stores” (NAICS code 44412); “hardware stores” (NAICS code 44413), “other building materials dealers” (NAICS code 44419); “outdoor power equipment dealers” (NAICS code 44421); and “nursery and garden centers” (NAICS code 44422). There is a local gap in each of these industries,11 and a regional gap in all but “nursery and garden centers,” which has a substantial regional surplus. To fill the more significant gaps, the following strategy is recommended:

1 | Attract and facilitate the development of a small-format home center store, such as a Home Depot with a more limited set of offerings and a small footprint compared to traditional Home Depot stores (however, see caveat in Section 2.2.1, Generally).

2 | Ensure that there is adequate land with appropriate access and separation from residential uses is zoned for a lumberyard. The zoning should include buffer requirements to ensure that the character of the street is not adversely affected by the use.

11 The word “industries” is chosen to be consistent with the NAICS hierarchical vocabulary because the categories stated are represented by 5-digit NAICS codes.
### 2.2.3.B | Home Centers

There is a $5.4 million gap in Home Center (NAICS code 44411) sales in Moscow, and a $6.9 million gap in the region. Most of these dollars are probably spent in Lewiston, which is where the nearest Home Depot is located.

According to the annual reports of two national home center chains, sales in 2006 ranged from $300 to $400 per square foot. At $300 per square foot, the regional “gap” would be filled with a 23,000 square foot facility -- less than one-quarter the size of a typical home center box. At $400 per square foot (reported by Home Depot) the floor area supportable by the regional gap drops to 17,250 square feet.

In fact, at $400 per square foot, the total 2007 retail demand in the region supported 90,313 square feet of home center use. That means that a new, full-sized Home Depot with average performance would have to attract almost all of the $29.2 million in existing home center sales in the region -- $4.1 million of which is currently supplied by Moscow retailers. Since the Moscow retailers are well-established and locally-owned, the introduction of a full-sized national chain home center would not be an advantage to the City in terms of development of local business and protection of community character.

That said, Home Depot is one chain that is reportedly looking to tap the potential of smaller markets, and in April 2007, rolled out stores in California that were scaled down to the 28,000 to 50,000 square foot range. A store on the lower end of this range may work well in the region. Competition for local retailers would likely be stepped up, but there would likely be sufficient dollars in the marketplace to support both the local store and the national chain.

If a major regional retail development is located in the region just outside of Moscow’s City limits, there is always the chance that it will include a full-sized home center. A scaled-down home center, located in Moscow, may provide a defensive position against a store that would -- of necessity -- go after every consumer dollar available to it in the region.

### 2.2.4.C | Paint and Wallpaper Stores

In 2006, there was a $271,942 gap in paint and wallpaper stores (NAICS code 44412) in Moscow, and a $1.9 million gap in the region. The gap is not very large, and there are several major product lines available in Moscow, so most of this gap could likely be filled by increased offerings and service at existing businesses.

### 2.2.4.D | Hardware Stores

In 2006, there was a $1.64 million gap in hardware stores (NAICS code 44413) in Moscow, and a $6.7 million gap in the region. There is one traditional hardware

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store in Moscow (True Value), and several other retailers that also sell hardware. Ace Hardware has locations in Pullman and Colfax. In addition, there are several specialized hardware dealers in the Lewiston-Clarkston area.

The regional gap of $6.7 million may be sufficient to attract another small hardware store to the region. However, a home center may reduce consumer demand for a traditional hardware store, naturally closing the relatively small local and regional gaps by reallocating consumer spending to stores in other NAICS industry classifications.

2.2.4.E | Other Building Materials Dealers
In 2006, there was a $3 million gap in “other building materials dealers” (NAICS code 44419), and a $31.2 million gap in the region. This industry includes lumber, ceiling fan, flooring, lighting, plumbing, glass, tile, electric supply, and door stores, among others. Lumberyards account for approximately one-third of the City and regional gap. The $10.4 million regional gap for lumberyards could be filled with a small facility in Moscow. At $250 per square foot in sales, a lumberyard that filled the entire gap could be as large as 41,500 square feet. Of course, the ultimate size of the yard would depend upon how much of the market the owner expects to be able to capture.

2.2.4.F | Outdoor Power Equipment
In 2006, there was a $108,542 gap in outdoor power equipment (NAICS code 44421), and a $1 million gap in the region. There is an existing power equipment dealer in Moscow that may position itself to expand to meet this demand.

2.2.4.G | Nursery and Garden Centers
In 2006, there was a $1.4 million gap in nursery and garden centers (NAICS code 44422). Demand from Moscow residents was $2 million. Regionally, nurseries experienced a $45.9 million surplus, suggesting that regional competition for Moscow’s $2 million in expenditures in this industry is considerable. Consequently, Moscow should focus on other retail sectors.

2.2.5 | General Merchandise Stores

2.2.5.A | Development Strategy
Move quickly to attract a small Target store. General merchandise stores (NAICS code 452) in Moscow had $39.6 million in sales in 2006. Moscow residents spent $37.2 million, leaving a slight surplus (by general merchandise store standards) of $2.4 million. However, regionally, there was a gap of $40.9 million.
General merchandise stores are broken down into “department stores, excluding leased departments” (NAICS code 4521) and “other general merchandise stores” (NAICS code 4529). The latter NAICS code includes such retailers as Wal-Mart and Target. “Other general merchandise stores” account for $35 million of the $40.9 million regional gap in general merchandise stores sales.

Target’s annual report shows that in 2006, the store took in an average of $310 per square foot. If all $35 million of the regional gap was captured by a Target store in Moscow, the store could be 113,000 square feet -- fairly close to the average store size of 126,000 square feet. Of course, it is unlikely that a Target store would capture all of the dollars in the regional “gap.” However, considering that the nearest Target stores are in Spokane or Couer d’Alene, it is likely that people would drive to Moscow from the Lewiston-Clarkston area (and other nearby counties) to shop at Target.

A well-positioned, appropriately sized Target store could be an important regional retail draw. If people drive a long distance to come to the Target store, they may also take the time to shop, eat, and be entertained elsewhere in the City, especially if Moscow is positioned as “the place to be” for retail (see Section 2.3.1.B., “The Place to Be” for Retail). In light of other potential locations for a Target store in the region, Moscow should work with the chain to find an appropriate location that can maximize the impact of Target’s power to attract regional customers. To enhance its impact, the store could be co-located with a small-format national home center chain. See Section 2.2.3.B, Home Centers, as well as the caveat regarding retail development in Whitman County in Section 2.2.1, Generally.

2.2.6 | Clothing and Clothing Accessories Stores

2.2.6.A | Development Strategy
The development strategy for this sector is to share the retail leakage data with representatives of the Palouse Mall, and encourage them to consider attracting additional clothing and clothing accessory stores, especially those that sell women’s or family clothing. The City or the mall should provide assistance to existing office tenants to relocate if their spaces are needed for retail uses.

2.2.6.B | Women’s Clothing
Claritas, Inc. reports that there was a $2.97 million gap in the women’s clothing industry (NAICS code 44812) in Moscow in 2006, and a $9.2 million gap in the region. In fact, more than 90 percent of the $10.2 million in women’s clothing spending by residents of the region leave the region.

The Urban Land Institute (ULI) reports that, in 2006, women’s clothing retailers took in, on average, $176.25 per square foot in centers that are comparable to the
Palouse Mall. These stores occupied an average of 4,200 square feet for national credit tenants, and an average of 2,312 square feet for independent operators. Both the local gap and the regional gap suggest that there is ample room in the marketplace for women’s clothing stores.

2.2.6.C | Family Clothing
The family clothing industry had a relatively small “gap” of $795,000 in the City in 2006. However, regionally, the “gap” was $14.2 million. A full 70 percent of the $20.3 million that residents of the region spent at family clothing stores was lost.

The Palouse Mall, according to information provided on its web site, serves a 20-mile radius. More than 68 percent of Whitman County residents live in that area, as do more than 61 percent of Latah County residents. As such, another family clothing store at the Palouse Mall, which is already a regional draw, would help to narrow the regional gap, and potentially bring a retail surplus to Moscow with regard to the family clothing industry.

2.3 | Gaining Competitive Advantage

2.3.1 | Generally
In order to maintain and enhance a regional competitive advantage with respect to retail, the following overall strategic directions are recommended:

1 | Work towards expanding the employment base in Moscow, to increase the daytime population (work towards a more favorable “jobs-housing balance”). See Chapter 1, Local and Regional Economic Base Analysis; Chapter 3, Industrial Sector Report; Chapter 4, Economic Development Constraints, Opportunities, and Development Alternatives; and Chapter 5, Economic Development Strategic Action Plan.

2 | Position Moscow as “the place to be” for unique and specialty retail, that is, a place that is attractive enough to people in the region (due to quality of shopping experience, selection, price, and/or service) that they will drive past competing retail products to come to Moscow to shop.

3 | Make 35 to 50 acres of visible, accessible commercial land available for development.

4 | Encourage the Chamber of Commerce to organize the business community; to help bricks-and-mortar business owners take their businesses on-line (or enhance their existing on-line presence); and to help home-based businesses that ship products using parcel services to network and learn about ways to increase their access to markets.
5 | Encourage the Palouse Mall to continue to develop its offerings, landscaping, and appearance.

6 | Upgrade the appearance and function of highway commercial areas, and the maintenance of downtown buildings and streetscape.

2.3.1.A | Jobs-Housing Balance

**Improve the balance between jobs and housing in Moscow.** Broadening the employment base in Moscow -- an overall objective that is addressed in the other chapters of this Plan -- is also a retail development strategy.

The success of many retail categories is largely dependent upon the proximity of customers to the stores. That is, people are more likely to visit a store that is five minutes away on a regular basis than one that is 45 minutes away. Just like the distance between home and business affects how often the household will visit the business, the location where people work has an impact on where they spend their money.

A 2006 study for the City of Moscow showed that the City is trending toward becoming a bedroom community for higher-income out-commuters. The more time people spend away from Moscow, the more money that they will spend outside of Moscow. Consequently, since regional population growth is slow and steady, broadening the number of jobs in Moscow is an important first step to improving the City’s capacity to support retail development. Put simply, more employees in the City means a larger daytime population, which will presumably buy more things in Moscow.

2.3.1.B | “The Place to Be” for Retail

Moscow should position itself as “the place to be” for retail, with a critical mass of retailers with a character and quality of experience that makes it worthwhile to drive from Pullman and other places -- sometimes past competing products -- to shop in Moscow. To accomplish this objective, Moscow should:

1 | Create zoning incentives, such as mixed-use allowances with floor area bonuses (and reduced parking requirements based on the shared parking arrangements among the uses), and expedited approval, to assemble and redevelop commercial property with modern retail products.

3 | Zone an appropriate parcel of vacant land for a shopping center to be anchored with a small home center and general merchandiser; or work with an existing center, such as the Eastside Marketplace, to attract those anchors.

4 | Upgrade the character of highway commercial areas through landscape and street tree regulations, volunteer tree planting programs, better quality sig-

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nage, and improved building and site design standards.

5 | Provide assistance to the business community, preferably through the Chamber of Commerce, with regard to moving towards clusters of retailers that have a synergistic relationship. See Figure 2.4, Retail Synergy (previous page).

6 | Encourage downtown business and property owners to enhance the maintenance of the streetscape and buildings, and to restore the historic facades of downtown buildings.

7 | Facilitate redevelopment of the grain elevators as a signature project at the heart of the City that will bring additional activity to the vicinity of downtown, and facilitate the intensification of the entire urban redevelopment area with mixed-use residential-over-retail and office-over-retail products that compliment and support downtown.

8 | Promote programming in the public areas of downtown, including music, magic, and events that bring people downtown on a regular basis; and combine the programming with later business hours.

One of the purposes of this Plan is to help the City expand and diversify its employment base and thus, reverse the recent trend towards becoming a regional bedroom community. Hand in hand with that effort, Moscow should seek to reposition itself in the retail market so that it develops into “the place to be” for retail.

Certain types of retailers perform better when set among other similar or complimentary retailers. For example, car dealers, furniture stores, antique dealers, art studios, clothing stores, and restaurants tend to benefit from being located near similar retailers. Some communities have formed “design districts,” “art districts,” “fashion districts,” “antique districts,” and the like to encourage these synergistic relationships.

Pictured above are the Mentor House Gallery (top), Working Artist Studios (top right), and Aspire Arts (bottom), all located in the Lowertown Arts District in Paducah, Kentucky. Lowertown is a neighborhood that has been transformed into live-work units for artists, as well as complimentary small-scale retail and restaurant
This is important because many in the City do not currently see Moscow as “the place to be” for retail. In fact, when steering committee members were asked to identify “the place to be” for shopping, of the 47 individual places they named, Spokane was named 21 times; Lewiston-Clarkston, 10; Moscow / Downtown / Moscow’s Mall / Tri-State, 10; and Pullman, Couer d’ Alene, and Seattle, 2 each.14

Moreover, even though it is a commonly held perspective that retail will follow the creation of good jobs in Moscow, it does not necessarily follow that the anticipated retailers will locate within Moscow’s city limits if there is another location in the region with appropriately zoned, competitively priced, developable land that has convenient access to Moscow. Since most of the existing supply of commercial land in Moscow is already developed with buildings that may not be suitable for current retail formats, such alternative locations may be more attractive to retailers that are in the market for new space.

In sum, maintaining Moscow’s position as a regional center of gravity for retail is not a “given,” and should not be taken for granted. Indeed, Moscow’s work on repositioning itself with respect to retail should be placed on a parallel track with expanding its employment base.

2.3.1.C | Land

Make 35 to 50 acres of additional land with appropriate frontages for retail products available for development of new buildings for retail use. Land is needed to accommodate retailers that will fill the gaps outlined in Section 2.2, Retail Development Strategy. Roughly estimating $300 per square foot in sales will be needed, on average, to sustain these retailers, and a floor area ratio ranging between 0.20 and 0.25 (to accommodate parking and landscaping), an inventory of 35 to 50 acres of appropriately zoned land with appropriate dimensions, visibility, and access will be needed.15 This calculation includes 25 percent additional land area than is needed in order to provide a margin for additional growth and for competition in the land market.

Sufficient land along Palouse River Drive, Highway 95 at the southern end of the City, and in the Urban Redevelopment Area has been identified in the Comprehensive Plan as appropriate for retail use. The City should plan for the expansion of Palouse River Drive as retail (and other) development comes on-line there.

Moreover, there is a potential redevelopment opportunity in the vicinity of A Street, Highway 95, and D Street, where there are a number of vacant buildings. This is an area where zoning incentives for assembly of property could be useful.

14 This survey was not intended to produce statistically significant results, but the responses of the diverse group of citizens and business leaders surveyed suggest that it is not a strongly held view in the community that Moscow is already “the place to be” for retail.

15 By way of comparison, the Palouse Mall occupies approximately 40 acres.
2.3.1.D | Organization
Strengthen the Chamber of Commerce, encourage better integration with the efforts of the Latah County Economic Development Council, and build an active downtown merchants/property owners' association. Historically, the Chamber of Commerce has been focused on retail development. New leadership and new energy at the Chamber of Commerce should work with the Latah County Economic Development Council to focus on:

1 | Hosting workshops on e-commerce, including using existing e-commerce channels (e.g., ebay.com, amazon.com, half.com), establishing and promoting stand-alone e-commerce sites (e.g., e-commerce tools, search engine optimization, etc.), and networking information technology professionals and web designers with retailers.

2 | Encouraging downtown businesses and property owners to strengthen their ties, maintain the streetscape and appearance of building facades, and restore historic facades to their original designs.

3 | Promoting home-based businesses by providing a forum for home-based businesspeople to share information and ideas.

Online retailing is a key part of the retail picture. In fact, a 2006 retail study showed that customers are increasingly moving interchangeably between physical stores, online stores, and catalogs. According to the study, “consumers see a retailer as a single, seamless entity – whether they are visiting a store, website, talking to a sales or service rep on the phone, or just looking through a catalog. They don’t perceive retailers in the same way retailers see themselves – as separate geographies, a catalog division or a web development unit. They expect any part of the delivery chain to have the same knowledge as the other.” Of course, “this presents a significant challenge for retailers that do not tightly integrate their sales and inventory channels. Consumers already expect it to be there, and those that get there first will win more business.”\(^\text{16}\)

Online access makes things available to small-town and rural residents that they would not otherwise have access to. It is not surprising that Moscow residents spent $15.7 million on electronic retail and catalog purchases in 2006. Nor is it surprising that residents region-wide spent $48.3 million.

Yet, the converse is also true -- online access can make unique things that are only available in small towns available to the rest of the world. For example, Gainesville, Florida’s Burrito Brothers claims to have “shipped more than 40,000 burritos to Gators everywhere.” See Figure 2.5, Online Retail. Put simply, Moscow’s unique retailers should strengthen their position on-line in order to:

Augment their “bricks-and-mortar” sales with sales to people outside of the region; and

- Maintain and build upon relationships with University of Idaho and Washington State University graduates from whom they have earned loyalty.

The Chamber should also coordinate with the Moscow Arts & Culture Alliance / University of Idaho Extension and the Latah County Economic Development Council to help artists conduct more business on-line. The Alliance already does business workshops for artists, but the workshops do not include an on-line component. Moreover, although there are many web sites that deal with arts in Moscow, few, if any, provide quick and easy access to purchase artwork. Ideally, image, price, and “add to cart” buttons should be front-and-center. See Figure 2.6, Online Galleries.

The City should encourage downtown business owners to strengthen their ties, and work to improve the character of the downtown (which is already good) by stepping up maintenance of sidewalks and building facades. Pride in the downtown will show, and make the area even more attractive to visitors. In addition, the restoration of historic facades would improve the character of downtown. To this end, the historical society should work with building owners to identify the historic façade designs, and the City should provide educational materials with regard to how building owners can take advantage of the available federal tax credits for rehabilitation of historic buildings in the downtown historic district.17

Finally, the Chamber of Commerce should promote home-based businesses by holding workshops and networking opportunities for home-based business own-

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17 The Downtown Historic District was added to the National Register of Historic Places on July 22, 2005. As such, building rehabilitation may be eligible for federal tax credits.
ers to share ideas and develop business-to-business networks (e.g., linking artists to web developers).

2.3.1.E | Palouse Mall

The Palouse Mall has made recent progress in terms of updating its tenant mix, and has also made modest upgrades during a challenging time for retail properties. The City should encourage the mall to provide additional outparcel sites for retail development.

The Palouse Mall is located on Highway 8 on the west side of the City. See Figure 2.7, Palouse Mall. Its anchors include the popular stores Macy’s; Bed, Bath, and Beyond; Ross Dress for Less; and Old Navy -- stores with broad appeal in the region (several of which are new additions to the mall). The mall property also technically includes the Best Western conference center.

Research shows that, nationally, shoppers tend to prefer indoor malls to other formats. The Palouse Mall provides 384,000 square feet of retail space in the preferred format. Yet, like retail in the rest of the City, the current experience of the Palouse Mall is that categorically related and complimentary retailers are somewhat dispersed, and there are gaps in the mall with blank walls, or uses with limited or no activity relating to the mall corridor (e.g., offices). The unbroken linear shape of the mall tends to exaggerate the impression of these areas.

The mall is served by 2,170 parking spaces, which means that it is parked at a ratio of one space per 177 square feet. Code requirements for retail are 60 spaces, plus one space per 300 square feet in excess of 25,000 square feet, which totals 1,257 spaces. In short, there is room for the mall to expand, for example, by adding an outparcel pad site to the west of the Sherwin Williams site, across the entry drive.

In addition to the extra parking areas on the mall property, the University of Idaho (the lessor of the property under the mall) has committed to providing the mall

with additional adjacent land if needed, which could support mall expansion when economically feasible.

2.3.1.F | Highway Commercial
The City should adopt zoning regulations that encourage the assembly and re-development of retail pads on the major corridors; prohibit pole signs and control sign clutter; and require streetscaping where the geometry of the parcel allows for it. Just as there is room for improvement (and momentum for improvement) of the landscaping at the Palouse Mall, there is room for improvement of highway commercial streetscapes in Moscow in general. For example, sign clutter and an absence of landscaping along Highway 8 are a negative influence on community character, and do not convey the image of “the place to be” for retail. See Figure 2.8, Character of Pullman Highway.

Moscow should adopt reasonable sign regulations that recognize the considerable investment that businesses make in their signs, but require new signage to have lower, monument-style designs. Experience shows that most people prefer the appearance of monument signs to pole signs, and that monument signs can provide appropriate visibility, especially when placed in a formal landscape strip. See Figure 2.9, Monument Signs and Streetscape.

2.3.1.G | Downtown
In addition to encouraging the downtown business owners to organize and step up the level of maintenance of downtown buildings and streetscape, the City should encourage the development of synergistic retail clusters downtown, strengthen the linkage between downtown and the University, facilitate the re-
development/adaptive re-use of the silos, continue to provide event programming, and encourage downtown businesses to keep later hours.

Downtown is a place for specialty retail and restaurant uses and some entertainment uses. Upper floors are put to residential and office uses. However, increasingly, ground floor space is being used for offices, such as real estate agents and insurance. These uses tend to dilute the energy of the street by separating retail uses that would otherwise support each other.

This is important because just like a successful mall, a vibrant downtown area will have a critical mass of retailers, restaurants, and entertainment uses that support and reinforce each other. As such, the City or Urban Renewal Agency should consider commissioning a study by a retail and market programming specialist to lay out a recommended strategic plan and preferred future for the development of synergistic retail downtown.

The elements are in place for a successful and vibrant downtown -- human scale, pedestrian-orientation, buildings with genuine character, great restaurants and coffee shops, and unique retailers. Indeed, in most respects, the downtown is far-and-away in better shape than the downtowns of comparably sized small towns around the country. However, there are additional things that can be done to support the success of downtown.

First, access to downtown from the University should be improved. Redevelopment or adaptive re-use of the ag-industrial site will help in this regard, as will redevelopment and upgrades along the Sixth Street corridor between the University and downtown. Redevelopment projects in these locations will be especially helpful if they include a residential component that brings more people closer to downtown and office spaces that would accommodate some of the office uses that are currently located at ground level in the downtown.

Second, regular programming and events downtown would provide a draw that would reinforce critical masses of retailers as they develop. To this end, the City should support the use of Friendship Square by musicians, street performers, and street vendors on a regular basis. For example, Boulder Colorado’s Pearl Street Mall is “the place to be” because there is nearly always something going on. See Figure 2.10, Pearl Street Mall.
Finally, Moscow’s downtown currently closes early. The City should encourage retailers, or clusters of retailers, to keep later hours, and in some cases, to change their format for evening hours to add variety to the downtown experience. For example, coffee houses and restaurants with moveable tables can transform into small dance clubs, live music venues, comedy clubs, or less structured activities such as “open mic nites” or karaoke.

2.4 | Conclusion

Generally, “rooftops” drive retail development. In other words, when enough households are established in an area, creating a critical mass of available retail dollars, retailers will enter the market. However, there are existing hurdles to further retail development in Moscow, including a lack of available vacant land for retail development, and an inventory of developed land with relatively outmoded buildings. Because these hurdles could motivate retailers to locate outside of the City, Moscow is advised to take steps to improve its retail position concurrently with working on expanding and diversifying its employment base.

Boulder Colorado’s Pearl Street Mall is an active pedestrian space in part due to the energy created by street performers, street vendors, and interactive public art.

FIGURE 2.10 | Pearl Street Mall
Source: Kendig Keast Collaborative
3.0 | Industrial and Business Park Base

3.0.1 | Generally
Less than two percent of the land area of the City is zoned for business park or industrial use:

- The Industrial (“I”) district encompasses 68 acres, or 1.5 percent of the City’s total area.
- The Research, Technology, and Office (“RTO”) district, which applies to Alturas Technology Park, encompasses 16.3 acres, or 0.4 percent of the City’s total land area.

3.0.2 | Industrial Base
As of March 2008, there are 68 acres of property zoned Industrial. Almost three-quarters of that land is located in the Legacy Crossing Urban Renewal District, a narrow band along Highway 8 between Styner Avenue and Sixth Street -- an area that is anticipated for redevelopment with urban mixed-use products (a process which will require rezoning). See Figure 3.1, Industrial Areas / Business Parks. These new real estate products might include research facilities, but they are not likely to include what are traditionally considered as “industrial” uses.

As of August 2008, there is not enough land zoned industrial to build the industrial uses that the City wants and needs. The “safety valve” for the lack of available land with Industrial zoning is the Motor Business district, which allows light industry as a special use. However, the special use process is the second most cumbersome of the City’s development approval procedures (rezoning is the most cumbersome, the conditional use process
Chapter 3: The Industrial Sector Report

The process involves:

- A public hearing of the Board of Zoning Appeals, during which the application is judged based on seven general standards that provide relatively little certainty regarding how the application will be decided; and

- The opportunity for the Board of Zoning Appeals to place a full range of approval conditions on the application.

Because the decision-making is tied to a public hearing that is not guided by precise standards (see Section 1.6.3., Development Approval Procedures), a proponent of

Alturas Business Park
Phases I & II

Alturas Technology Park, Phases I and II.

FIGURE 3.2 | Alturas Technology Park
Source: Kendig Keast Collaborative
a light industrial use that is even modestly controversial may face an insurmountable challenge – the opposition could swing the Board of Zoning Appeals’ decision either way, or result in conditions that make the proposed use infeasible. As such, if there is any perceived potential for a challenge with respect to development approval, many light manufacturers could choose to locate elsewhere.

3.0.3 | Business Park
In the 1990s, the City of Moscow and the Latah Economic Development Council ("LEDC") teamed up to meet the needs of technology-based companies. The result was Alturas Technology Park. The City created the Urban Renewal Agency ("URA") to sell bonds to finance the Park infrastructure and establish a Tax Increment Financing zone to pay for the infrastructure improvements. Incremental property taxes paid by owners for new improvements will first be used to retire the infrastructure bonds. Later, they will be paid to local taxing districts in the same manner as other real estate taxes. Alturas Technology Park opened in 1998.

In the 16.3 acres that are zoned RTO, there are 14 lots that range from 0.68 acres to just over one acre. See Figure 3.2, Alturas Technology Park (previous page). Of these lots, approximately two-thirds are developed. Among the occupants of Alturas are: Comtech AHA; Anatek Labs; Alturas Analytics; Anderson and Walker; EMSI; and Park Place Plaza. Some are in single-tenant buildings, and some are in multi-tenant buildings.

3.1 | Recruitment and Development Targets and Strategies

3.1.1 | Methodology

3.1.1.A | Overview of Shift-Share Analysis
The recruitment and development targets are based upon shift-share analysis provided by EMSI. Shift-share analysis is a technique that is used to identify how much of regional job growth (or decline) is attributable to national trends, and how much is attributable to unique regional factors. Shift share analysis splits regional job changes into three components: the national change effect, the industrial mix effect, and the regional competitiveness effect.

The national growth effect explains the degree of change of an industry that is attributable to the overall health of the national economy. For example, if the national economy grows five percent, then it would be expected that an individual industry would also grow five percent.

1 For additional information, EMSI provides an excellent paper on shift-share analysis at: http://www.economicmodeling.com/resources/199_understanding-shift-share/
The industrial mix effect explains the share of industry growth in the region that is attributable to national growth in the same industrial sector. For example, if equipment manufacturing grows five percent nationally, then it would be expected that it would also grow five percent in the region.

The regional competitiveness effect explains the degree of change in an industry that is attributable to unique regional factors. Regional competitiveness is assessed by calculating growth or decline of an industry while controlling for the national change effect and industrial mix effect. The relative regional competitiveness of a group of industries is a good indicator with regard to which industries to target for recruitment and development.

3.1.1.B | Overview of Location Quotient Analysis
Location quotient (“LQ”) is a way to quantify how concentrated a particular industry, cluster, occupation, or demographic group is in a region when compared to the nation. It can help to reveal what differentiates the region from the nation with respect to particular industries. When applied to industry, LQ is a way of quantifying how concentrated an industry or industrial cluster is in the region when compared to a larger geographic area, such as the state or nation.

The basic uses of industry LQs (and, by extension, for clusters and occupations as well) include:

- Determining the industries that make the local economy unique.
- Identifying the “export orientation” of an industry, and the most export-oriented industries in the region.
- Identifying emerging export industries that are beginning to bring money into the region.
- Identifying threatened export industries that could erode the region’s economic base if they are not shored up.

3.1.2 | Target Industries

3.1.2.A | Generally
The target industries set out in this section are narrower than those set out in Section 1.5, Potential Target Business Sectors in Chapter 1, Local and Regional Economic Base Analysis. The identified industries in this Chapter are those that should be targeted for industrial and business park developments. The listed industries are not an exclusive list, but instead representative of industries that:

- Provide generally high-paying jobs compared to other industries that would locate in such areas; and
- Have a relatively low impact on community character.
3.1.2.B | Manufacturing

Sawmill and Woodworking Machinery Manufacturing. The sawmill and woodworking machinery manufacturing industry (NAICS Code 333210) is a small industry in the area that grew by nine jobs between 2003 and 2007 (from 14 jobs to 23). By 2018, EMSI projects that the industry will grow to 36 jobs.

Sawmill and woodworking machinery manufacturing is a natural fit for the region, in which the timber industry is significant. The industry involves the manufacture of equipment such as power saws, circular saws, dovetailing machines, drill presses, presses for making composite wood products, and large woodworking machines. Shift-share analysis shows a regional competitiveness effect of 23, quite significant in light of declines in this sector nationally. The location quotient for this industry was 17.39 in 2003, and is projected to grow to 47.45 by 2018.

All Other Miscellaneous Manufacturing. The “all other miscellaneous manufacturing” industry (NAICS Code 33999) is projected to add 24 new jobs between 2008 and 2018 (from 39 to 63 jobs). This category is a “catch-all” for manufacturing, including a wide variety of products from musical instruments to gaskets to brooms to fasteners. The 2008 LQ for this industry is 2.31, and the projected 2018 LQ is 3.44. Shift-share analysis shows a regional competitiveness effect of 22, although nationally, this industry is expected to shrink (the industrial mix effect is minus three).

Machine Shops. There is little activity in the machine shop sector (NAICS Code 332710) in Moscow and surrounding areas. There are an estimated ten machine shop jobs in the Moscow area in 2008, and that the number of jobs will also be ten in 2018. Moscow is the regional center for the machine shop industry. There are a reported four additional jobs in this industry in Whitman County.

Machine shops are related to the other manufacturing industries that should be targeted. If the other related industries grow at faster than the projected rate, there may be sufficient demand to grow the machine shop industry in Moscow. Moscow should ensure that there is sufficient industrial space to allow for such uses.

3.1.2.B | Research and Development

Research and development jobs provide economic opportunity for post-secondary teachers, managers, physicists, physical scientists, biological technicians, executives, and social science research assistants. Earnings in the research and development sector are relatively high.

The physical, engineering and biological research sector (NAICS Code 541710) in the region is projected to lose ten jobs between 2008 and 2018 (from 83 to 73 jobs), that the location quotient for the industry will fall from 1.34 to 0.99, and that the shift-share regional competitiveness effect will be minus 22°. Available projections

2 Source: EMSI
suggest that – if existing conditions continue without intervention – Moscow’s competitive position with respect to research and development will decline.

Conversely, the projections highlight the rather urgent need for intervention to turn the trajectory around. The City’s work in this regard should include, at a minimum:

- Ensuring an adequate supply of land for research and development;
- Taking steps to reduce the cost of broadband internet access;
- Working with the LEDC and the University of Idaho to enhance incubator space; and
- Finding or developing suitable facilities for businesses involved in research and development to transition out of home office or incubator space into rental office/lab space at reasonable rents.

3.1.2.C | Testing Laboratories

Testing laboratories (NAICS Code 54138) are growing in the State of Idaho and nationally. However, EMSI projects that employment in this sector in and near Moscow will decline by one job between 2008 and 2018 (from 25 to 24 jobs). If it happens, the slight decline would bring the location quotient for this industry from 1.48 to 1.23, and the shift-share regional competitiveness effect to minus four.

Still, testing laboratories provide good jobs for technicians, engineers, chemists, biologists, computer engineers, and managers -- good jobs which should be retained in Moscow. See Figure 3.3, Testing Laboratories. As such, the strategy for testing laboratories should be – as with research and development – to turn around the projected trajectory by ensuring an adequate supply of land, taking steps to reduce the cost of broadband internet access, and working with the LEDC and the University of Idaho to enhance incubator space and find or develop suitable transitional facilities.

3.1.2.D | Other Professional and Technical Services

In the professional and technical services sector (NAICS Code 54), there are several

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3 Source: EMSI
other industries (other than those detailed in Sections 3.1.2.B and 3.1.2.C, above) that would locate in a business park. These include:

- Management and technical consulting services (NAICS 5416), which had a 2008 LQ of 1.2, a 2018 LQ of 1.1, but a regional competitiveness effect of minus 15 (due to explosive expansion of this sector in the national economy), which is expected to add 59 jobs over the next 10 years;

- Computer systems design and related services (NAICS Code 5415), which includes software development, physical installations and networking, and network administration, is expected to add 15 jobs over the next 10 years; and

- Specialized design services (NAICS 5414), which has a 2008 LQ of 0.91, a projected 2018 LQ of .096, and a regional competitiveness effect of four, and which is expected to add 12 jobs over the next 10 years, which will provide opportunities for local designers.

Any of these services could locate in a business park or in the Legacy Crossing Urban Renewal Area. The City could help these industries by taking steps to reduce the cost of broadband access and by offering training through the LEDC or the Chamber of Commerce for designers and software developers to market their services over the internet.

3.1.2.E | Other Industries
In addition to the industries set out in Sections 3.1.2.B. through 3.1.2.D, above, there are other industries that will grow in the City between 2008 and 2018 that will provide products and services that are desired by City and regional residents.

For example, automotive repair is one of the industries for which employment is expected to grow in the region between 2008 and 2018. Some of the jobs in auto repair are “career jobs,” and some are “starter jobs,” suitable for students or people who are entering the workforce. Although the following are not industries that the City should actively seek out (unless it chooses to do so in conjunction with a strategy to attract and retain motor vehicle dealerships), the City should ensure that sufficient land is available with appropriate zoning to allow these uses, which provide opportunities at a variety of levels and improve the quality of life for City residents:

- General automotive repair (NAICS Code 811111), which includes general and engine repairs, and which is projected to grow from 33 jobs to 47 jobs from 2008 to 2018.

- Automotive body and interior repair (NAICS Code 811121), which includes vehicle customization, paint, glass replacement, and body work, and which is projected to grow from 68 jobs to 104 jobs between 2008 and 2018.

- Automotive oil change and lubrication shops (NAICS Code 811191), which is projected to add 13 jobs between 2008 and 2018, increasing from 20 to 33 jobs.
Likewise, construction contractors and related trade subcontractors are not businesses that the City needs to recruit, because positive economic activity will attract and sustain them. However, it is important that the City ensure that there is enough land with appropriate zoning to accommodate the special needs of contractors (e.g., outdoor storage and commercial truck parking). Anecdotally, many of the City’s contractors operate out of their homes – a situation that, depending upon the nature of the operation, has the potential to affect neighborhood character.

3.2 | Identification of Potential Areas for a Business Park and Light Industrial Development

3.2.1 | Alternative Areas for Business Park and Light Industrial Development

3.2.1.A | Generally
The Comprehensive Plan designates 251.3 acres of land generally to the Southeast of the intersection of Palouse River Drive and South U.S. Highway 95 for industrial use. 83.7 acres of that land are relatively flat and located outside of the floodplain. An additional 58.6 acres are currently designated as floodplain. Between Palouse River Drive and the floodplain is a 25.7 acre area with slopes of seven to 25 percent. There are 35 acres of relatively flat land outside of the mapped floodplain to the south of the land with seven to 25 percent slope. See Figure 3.4, Industrial Area Topography (next page).

3.2.1.B | Industrial
The area immediately south of Palouse River Drive, northeast of the designated floodplain (see Figure 3.4, Industrial Area Topography), is recommended for industrial development because it is one of the few places in the City with relatively flat land that is not developed. Additionally, the area is served by Palouse River.

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*FIGURE 3.4 | Industrial Area Topography*

Source: U.S. Geological Survey; Federal Emergency Management Agency

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4 The floodplain designation of some of the land is currently under review, so this number may be reduced in the future.
Drive, which has easy connections to Highway 8 and Highway 95, and to Paradise Ridge Road, which is situated to connect to the Ring Road when it is constructed.5

3.2.1.C | Business Park
The area south of the Palouse River has significant topography, some of which is clearly limiting for industrial uses. This area is far better suited to office or office campus facilities, where the slope can be used by multi story buildings. Moreover, office development is also benefitted by pleasant, enjoyable settings, and the view of the City and River offered by the higher land fits this criteria. See Figure 3.5, Attractive Office Settings.

3.2.2 | General Suitability Analysis

3.2.2.A | Access
There is a large area of land designated for industrial on the City’s southern border (some of which is currently in the area of city impact). The majority of the land is south of the river, but the land north of the river is accessed by two existing streets, and part of it fronts on Palouse River Drive.

The area south of the river also requires access to be provided through the designated commercial development area along Highway 95. The City should provide access at a point where the grade to gain access to this area is such that minimal cut and fill is involved. The further south the entrance is located, the higher its elevation will be, which will minimize grading.

3.2.2.B | Topography
This area was selected because it was adjacent to existing industrial development, and has low to modest slopes. That means that grading the site for industrial use would not be a prohibitively expensive proposition. Indeed, this advantage is a major factor that underlies the recommendation of this site for industrial park development. Character considerations for marketing the site also come

5 The Ring Road is a proposed street that will encircle the community. It is discussed in detail in Chapter 3, Community Mobility, of the City of Moscow Comprehensive Plan.
into play, that is, the site can be fairly easily screened from the public street in an attractive manner.

3.2.2.C | Utility Service
The Comprehensive Plan identifies water and sewer constraints along Highway 95 between Highway 8 and the southern City limits, and along Highway 8 between its intersection with Highway 95 and Sixth Street. These constraints could create a bottleneck in the system with regard to service to Palouse River Drive east of Highway 95.

The Comprehensive Plan recommends a comprehensive analysis of the water and sewer system and appropriate maintenance or replacement of lines based on that
assessment. Water and sewer are otherwise available to the industrial site from Palouse River Drive.

3.2.2.D | Telecommunications
The City has a limited fiber optic network, part of which runs along Palouse River Drive to the east of Highway 95 for 0.2 to 0.3 miles. See Figure 3.6, City of Moscow Fiber Project Map. That fiber network could be extended along Palouse River Drive to serve new commercial or industrial development. Extension of the fiber network should be undertaken in conjunction with street improvements that will be needed to serve new development.

Fiber could also be extended down Highway 95 from Palouse River Drive to a southern entrance to the industrial area, which could be the site of a business park. However, the investment in extending fiber should not be made unless there is committed development at the site. That is so because unlike other infrastructure, technology products tend to decline in cost and become obsolete rather quickly. Therefore, these investments should not be made well in advance of when they are needed.

3.2.2.E | Adjacent Land Use Compatibility
The area on the north side of Palouse River Drive is planned for residential use. For this reason the design and streetscape of this street is important. The industrial area needs a retaining wall next to the road to allow for lowering the site to provide for level building pads. This suggests a wide sidewalk on both sides of the street (16 feet) which would support a double row of street trees, creating an attractive boundary between the two land uses, an attractive screen for the industrial park, and an attractive streetscape along Palouse River Drive.

3.2.2.F | Natural Resources
Along the Palouse River there is a substantial floodplain. The majority of the developable land is north of the river in a large curve. See Figure 3.7, Site Area. The
land south of the river rises sharply, so there is little land available for a road and industrial lots to be developed between the floodplain and the steep slopes.

There has been discussion of a floodplain map amendment ("LOMA") to take land out of the floodplain. If there is any cutting and filling that needs to be done to achieve this result, it should be done on the south side of the river, in order to create more buildable land to the north.

3.3 | Planning Level Infrastructure Needs Assessment

3.3.1 | Streets
Palouse River Drive is currently designated as a minor arterial in the City’s Comprehensive Plan. Nursery Street and the undeveloped Myrtle Street extend southward from Palouse River Drive to the northern boundary of the site providing local street access. Ultimately, Nursery and Myrtle Streets will need to be extend southward and Palouse River Drive will need to be improved to current minor arterial standards to accommodate trucks and other heavy vehicles that would access the site.

3.3.2 | Stormwater
Water from Palouse River Drive currently is conveyed through an open ditch system. As Palouse River Drive is improved, planter strips and gassy swales could be used to enhance treatment and slow the discharge of stormwater to the receiving system before flowing toward the Palouse River.

Inside of the industrial park, curb and gutter streets would be installed, and storm water would be detained and released to the Palouse River. Additional capacity in the floodplain should be excavated to detain and treat the stormwater before it reaches the Palouse River.

3.3.3 | Water and Sewer
Water and sewer service are available along Palouse River Drive. Ideally, eight inch fire-rated water mains should be used to bring water to the site, to provide adequate fire flow for the development.

3.4 | Recommendations for Key Development Elements and Standards for Future Consideration
It is recommended that the future development of the site include development standards to ensure a high-quality character without imposing prohibitive expense upon the landowner and should include the following considerations:
Parking areas should be appropriately landscaped, segmented with landscaped islands, and screened from adjacent public streets.

Larger Industrial buildings should be located away from Palouse River Drive in southern areas of the site while smaller scale structures should be located around the periphery of the site.

Buildings should be located close to the street rather than set back from the street.

Tree lawn area and street trees should be planted along all public streets within and adjacent to the site.

Pedestrian facilities should be provided throughout the site.

A green-belt linear park should be developed along the South Fork of the Palouse River to provide an aesthetic and recreational amenity to the park.

A significant bufferyard should be provided along Palouse River Drive to provide a visual buffer from adjacent residential uses to the north.

Building design standards should be established to require the use of attractive and durable materials, to reduce large blank walls adjacent to public streets and require articulation of large buildings to reduce the appearance of building mass.

Attractive industrial park entrance monument signs should be incorporated and internal signage should be uniform and coordinated with the aesthetics of the park.
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4.0 | Introduction

4.0.1 | Generally
This Chapter outlines the principal economic development constraints, opportunities and alternative development scenarios for Moscow, and, in the context provided by the previous chapters, provides recommendations for strengthening the City’s economy.

4.0.2 | Economic Development Objectives

4.0.2.A | What Residents Want
In the introduction to *Deep Economy: The Wealth of Communities and the Durable Future*, Bill McKibben writes, “for most of human history, the two birds More and Better roosted on the same branch. You could toss one stone and hope to hit them both . . . . But the distinguishing feature of our moment is this: Better has / own a few trees over to make her nest.” McKibben asserts that “new research from many quarters has started to show that even when growth does make us wealthier, the greater wealth no longer makes us happier.”

That is not to say that residents of Moscow are unhappy. In fact, quite the contrary -- a 2006 citizen survey (which included student responses) revealed that 92 percent of the City’s residents responded that the overall quality of life in Moscow is either “good” or “excellent.” This result is significantly higher than the national average, and is consistent with similar surveys conducted in 2002 and 2004. Through the lens of the City’s historically modest population growth, the results of the survey indicate that Moscow is a City that (collectively) appears to -- when faced with this choice -- generally opt for “Better” rather than “More.” See Figure 4.1, What Residents Want.

4.0.2.B | Framing the Strategy
The formulation of alternative economic development strategies largely depends upon what the objectives are with respect to other qualitative issues, such as “happiness,” environmental sustainability, and public-sector fiscal sustainability. Based on prior studies conducted for the City, the work with the community with respect to the comprehensive plan, and community input to this economic development strategic plan, the following observations emerge to frame (and constrain) the economic development strategy:

Based on citizen input into this plan and the Comprehensive Plan, it is apparent that Moscow’s residents want:
- Quality of life / “happiness”;
- Environmental sustainability;
- Small-town community character;
- Strong universities and cultural amenities; and
- Economic security.

**FIGURE 4.1 | What Residents Want**
Source: Comprehensive Plan and Economic Development Strategy Plan public participation process
People in Moscow are generally happy, but many residents believe that the political atmosphere of the City is trending toward polarization. Yet, ironically, what some may call “in-fighting” may actually be the result of an enormous degree of loyalty to the City on all parts. The people of Moscow should work on increasing “tolerance” for philosophical, religious, and political differences by building upon the significant set of core values that brought them together in the first place.

The University of Idaho is the driving force of Moscow’s economy. A strong and desirable university is correlated to a strong and desirable community.

Moscow’s people have abundant talent and ideas, but there is a disconnect between the economic potential of the City’s residents and the physical space they need to realize that potential.

Moscow’s economic future depends upon it continuing to be a attractive and desirable place to live -- not only because the “place” is what attracted its residents in the first place, but also because the setting that Moscow provides is a key ingredient that reinforces the University of Idaho.

Moscow is trending toward becoming a bedroom community for other places in the region. The fiscal sustainability of the City depends upon changing this trajectory towards a balance of jobs and housing.

Although the City is making progress in this regard, there are segments of the housing market that are underserved. The range of housing options that are available to lower and moderate income workers and the growing population of seniors should be increased.

Moscow is set in a rural area that could have the potential to sustain the basic needs of the City’s residents as the cost of transportation rises. It appears as though the ingredients are present for a sustainable post-“peak oil” economy with a different climate.

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2 Richard Florida (discussed in the next section) notes that Albert O. Hirschman, in Exit, Voice, and Loyalty, argued that “when faced with an unsatisfactory situation, we can either ‘exit’ the situation or ‘voice’ our discontent. The more ‘loyalty’ we feel, the more likely we are to use the latter option. As far as location is concerned, our decision to move turns on our loyalty to the place we live in and our social relationships there.” Florida, Richard. Who’s Your City? at 89.

3 Roger Fisher and William Ury’s Getting to Yes: Negotiating Agreement without Giving In is recommended reading.

4 Climate scientists agree that further climate change may be inevitable. One way to buy “insurance” now is to incorporate climate change into long-term decisions about natural resources, thereby providing greater resilience in the future. The Climate Impacts Group at the University of Washington predicts that average temperatures will rise 0.5°F per decade between now and 2050, relative to 1970 to 1999 average temperature, and precipitation will remain largely unchanged, except that winters will be somewhat wetter and summers will be somewhat drier. However, more severe impacts in other parts of the country may make the Northwest an even more attractive place for in-migration.
4.0.3 | The Creative Class

4.0.3.A | Generally

Some economic development professionals, led by professor Richard Florida,\(^5\) believe that there is an emerging, footloose group of creative professionals and artists (the creative class) who are the key to twenty-first century economic growth. Their notion is that when the creative class reaches a critical mass in an area, their interplay generates breakthrough ideas, new business ventures, and economic growth. Put another way, according to Florida, the “creative” component of human capital is the prized economic input of the information age.

According to Florida, members of the creative class are highly mobile and always in search of the next best thing. They seek out places that are (in Florida’s words) “cool.” Proponents of the creative class hypothesis believe that creating (or positioning) places to attract (and, if possible, retain) the creative class is the most useful strategy for economic development.

Engaging in a continuing process to keep the City on the cutting edge of what is considered “cool” could easily run afoul of the stability and historic character that makes Moscow a special place.\(^6\) Still, with all appropriate skepticism, the hypothesis is addressed by this strategic plan anyway because:

- Statistically, Moscow’s population includes a healthy proportion of members of the “creative class,” whose value to the community’s economy is significant (they are, in fact, driving many of the City’s higher-profile businesses);
- Proponents of the hypothesis have a strong public relations and marketing apparatus that has brought the “creative class” approach into the common vocabulary of economic development (the idea cannot be simply ignored); and
- Appropriate skepticism is not the same as a hard and fast conclusion that the “creative class” hypothesis is without any merit. Indeed, the creative class hypothesis frames several useful observations.

4.0.3.B | What the Creative Class Wants

Florida asserts that there is a formula to attracting the “creative class” -- the “three T’s of Technology, Talent, and Tolerance” -- a formula that is supposed to displace

\(^{5}\) Richard Florida, Professor of Business and Creativity at the University of Toronto’s Rotman School of Management, gained widespread recognition of the “creative class” hypothesis with his book, The Rise of the Creative Class.

\(^{6}\) The creative class hypothesis is not a “magic bullet,” notwithstanding Florida’s assertions that Cities that cannot make the strategy work just “don’t get it.” According to one well-reasoned critic, the risk of the creative class hypothesis is that it may result in “the overproduction of certain urban forms, resulting in their simultaneous devaluation and -- hamster wheel style -- even more aggressive, anxious and ultimately futile competitive behavior” among the cities that are chasing the creative class. See Peck, Jamie, “Struggling with the Creative Class,” International Journal of Urban and Regional Research, Vol. 29.4, p. 740 (Dec. 2005), at 761.
the old notions of tax breaks and redevelopment programs. Core ingredients for the formula include a good university, authentic neighborhoods, and a group of high-technology employers. Among the many development strategies that relate to the creative class hypothesis include:

- Identifying creative leaders;
- Improving communication with the community;
- Developing creative neighborhoods with sweat equity;
- Promoting the adaptive re-use of buildings; and
- Supporting events and festivals.

Because they tend to improve quality of “place,” approaches advocated by new urbanists -- pedestrian orientation, civic space, mixed-uses, and mixed-income housing -- dovetail into the approach as well.

4.0.3.C | The Creative Class in Latah County and Moscow

According to Florida’s benchmarks, Latah County is an immensely creative place. A United States Department of Agriculture data set shows that, in 2000, Latah County was in the top five percent of rural counties nationally with respect to the share of its workforce that is engaged in so-called creative occupations.

The creative class is statistically well represented in Moscow. Florida hypothesizes that within the overall creative class is a group of “core creatives” that he believes are a bellweather for the economic health of the community (Florida calls this the “bohemian index”). These core creatives are art and design workers (Standard Occupation Code 27-1000) and entertainers and performers (Standard Occupation Code 27-2000). According to this benchmark, Moscow is doing well -- the share of core creative occupations has been slowly increasing, from 1.3 percent in 2003 to 1.6 percent in 2008, to a projected 1.7 percent in 2013.

Within Moscow’s creative class are disproportionately high concentrations (relative to national proportions) of life and physical scientists (SOC Code 19-1000 and 19-2000), social scientists and related workers (SOC Code 19-3000), and -- not surprisingly -- postsecondary teachers (SOC Code 25-1000). See Figure 4.2, Creative Class in Moscow. Recent economic development successes in the City
(e.g., companies that have graduated from the incubator, growing companies in Alturas Technology Park) have built upon this human capital, and developing companies and initiatives (by way of example, GoNano and the Center for Ecological Health and Sustainability, see Figure 4.3, Center for Ecological Health and Sustainability) are likely to build further upon those successes.

Moscow and Latah County not only have high numbers of people in the creative class, but also (unlike other places studied by Florida) Moscow’s share of creative class occupations has been quite stable over time. See Figure 4.2, Creative Class in Moscow.

4.0.3.D | Using the Hypothesis
There are six specific observations for Moscow that emerge from research on the creative class:

Observation #1. Moscow Has All the “Key” Ingredients. If talent, technology, and tolerance are the keys to economic development in this first part of the twenty-first century, then UI and WSU, recent investments in the City’s fiber network, and a high number of “creative class” occupations -- all channeled through the consensus-based collective vision for the community identified in the recent comprehensive plan revisions, should form the basis for meaningful economic development, per se. Successes at the Business Technology Incubator and Alturas are strong anecdotal evidence in this regard.

Observation #2. No Risk, No Reward. Entrepreneurial spirit should be nurtured in the community, which based upon interviews with members of the community during the development of the Comprehensive Plan and this strategy, appears to have a culture that is risk-averse. Successes should be highlighted and social organizations that feed the entrepreneurial spirit should be strengthened. The City and its residents should develop a greater tolerance for taking calculated, not unjustifiable, risks.

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The Center for Ecological Health and Sustainability is an initiative that is currently in its infancy. However, the concept would build upon the existing talent and technology in the City -- leveraging the City’s “knowledge-based” infrastructure. The mission for the center is to “attract and enhance collaborative business, information, education and research enterprises to improve and sustain local, regional, and global ecological and economic health.” The idea is to create a critical mass of entities to share resources and ideas, which, building upon each other, create a total that is more than the sum of its parts.

Contact: Margaret Howlett, Latah Economic Development Council, (208) 885-3883.

FIGURE 4.3 | Center for Ecological Health & Sustainability
Source: Concept Paper for Center for Ecological Health & Sustainability, dated May 6, 2008.

7 GoNano is a nanotechnology company that is innovating in the areas of energy and hydrogen storage, photovoltaics (solar cells), catalysts, and sensors. The company formed out of collaborative research between Washington State University and the University of Idaho, and was founded by the inventors of the underlying technology (M. Grant Norton and David McIlroy), along with investor and businessman, Tim Kinkeade.
Observation #3. The University and the City Should Not Take Each Other for Granted. There is no doubt that the City and the University of Idaho recognize that their respective futures are intertwined. For Moscow to thrive, the University must thrive, and for the University to thrive, Moscow must be a desirable setting for students, faculty, and staff. The two entities must optimize their working relationship.

Optimizing the relationship will take some hard work. A recent survey by the Argonaut found that faculty morale at the University averages 5.16 out of 10 (10

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8 The University’s long-range plan states, for example:

- “The surrounding rural and agricultural land uses and the pleasant scale of the city of Moscow enhance the natural setting” for the university;
- “The transportation systems of the University of Idaho and . . . Moscow are, by their very nature, extensions of each other. . . . Transportation decisions made by the university must be weighed for their effect on safety, traffic flow and access, parking convenience and circulation to and from the city.”
- “Explore development of collaborative housing partnerships . . . by cultivating partnerships with the City of Moscow . . . .”
- “Work collaboratively with . . . Moscow to achieve a major upgrade to the shared sewage treatment plant . . . .”
being the highest). In real terms, aggregate salaries and benefits at the university have been relatively flat for five years. See Figure 4.4, University Salaries and Benefits. A recent consultant’s report evaluating the university’s graduate programs gave a blunt, largely negative assessment, which also likely contributed to the low level of morale. Many were dissatisfied with the level of analysis in the report and objected to its tone and conclusions.

This is particularly important because University employees are a large share of City residents, and their morale spills over into the community in many tangible and intangible ways. First, low morale tends to make employees disaffected, making it more difficult to muster participation in projects that strengthen City-University ties. Second, and just as importantly, mindset is a critical piece of the economic development equation -- if its expected impacts are to be fully realized, the “creative class” must be motivated.

The City knows that the University is the source of fodder for the creation of “knowledge-based” businesses. UI is a top-200 research institution. However, it has generated remarkably few patents to-date. UI and Moscow would mutually benefit from research programs that focus on the generation of patents and stronger technology transfer programs.

9 “Communication is the Key to Success,” The Argonaut (April 11, 2008).
10 A 435-page draft report was submitted to the University of Idaho in January 2008 by Yardley Research Group, a higher-education consulting firm. The report was posted on the University’s website for a time, but is no longer available on-line.
12 According to the United States Patent and Trademark Office, the University of Idaho had three patents issued before 1985, and none between 1985 and 2005. Combined, the top 200 research universities (UI is #196), had produced 45,270 patents by 2005.
that create businesses in the community based on those patents.\textsuperscript{13} The University should consider how increasing an emphasis on patents would impact its overall academic mission.

The City can do more to improve the relationship, too. Anecdotally, it appears that university students do not participate in many aspects of community life. They are typically confined to a small area in and around the university, and do not often venture far into the City. The City and the University should step up efforts to connect students with the community. Reinforcing the physical connection between the University and downtown through the Legacy Crossing project is a good initial step.

**Observation #4. Tie Into the Nearest Mega-Region -- and the Rest of the World.** Florida believes that economic development will focus on “mega-regions.” The nearest “mega-region” is “Cascadia,” which stretches across the far northwestern corner of the country and into Canada, including Portland, Seattle, and Vancouver. See Figure 4.5, Cascadia Megaregion (previous page). Dominant industry clusters in Cascadia include software and information technology, higher education and research, communication service, and computer equipment. Moscow is not in “Cascadia,” but it is relatively nearby. As such, through updated telecommunications networks, could participate in a share of the economic benefits of the Cascadia mega-region.

**Lesson #5. Beware Too Narrow a Focus.** “Creative class” members depend on personal services, restaurants, and retail goods -- economic sectors that are not known for high wages. The fundamental premise of the approach is to attract people who will not just form businesses, but also consume at disproportionately high levels. As such, even though many in the “creative class” would purport to value environmental sustainability, the “creative class” thesis has little to do with getting to environmental sustainability.

More importantly, although ensuring that there is opportunity for “creative class” industries is an important part of the overall economic development strategy, the industries that will provide meaningful opportunity for people who are not in the “creative class” should not be taken for granted. Moscow is a diverse City, and a sustainable economic development strategy must include support for a diverse economy that provides opportunity at all levels.

**Lesson #6. Beware Policies Based on Buzzwords.** Economic development policy should be based on sustainable approaches. Some of the lessons of the “creative class” hypothesis support such approaches. As to other implementation strategies advanced by “creative class” proponents, the City should be cautioned that

\textsuperscript{13} This recommendation is consistent with the fourth recommendation of the Report of the University of Idaho Vision and Resources Task Force, dated September 20, 2004.
it was not long ago that municipal aquarium and trendy festival marketplaces were the economic development buzz. History shows that these investments quickly lost their value as economic development tools (and in many cases became boondoggles) as they became formulaic. An economic development strategy that is narrowly focused on the creative class is likely to involve a comparable risk -- especially if one accepts the premise that the creative class is highly mobile and always looking for the next best thing.

Put another way, the things that the “creative class” purportedly wants (see Section 4.0.3.B., What the Creative Class Wants, above) are already present in Moscow. Moscow's historic development pattern (“old urbanism”) is the proven model for “new urbanism.” As such, while many other places hastily try to create “cool places” from scratch, Moscow's development and redevelopment strategies should build incrementally upon its existing heritage, tying into the authenticity and history of the City and the region. Such an approach will ensure that development and redevelopment reflect the shared values of the entire community. See Section 4.0.2.A., What Residents Want.

4.1 | Constraints and Opportunities

4.1.1 | Access to Convenient Transportation

Moscow is a destination that is located off the beaten path -- more than 80 miles from the nearest Interstate Highway (I-90). It is close to similarly-sized Pullman, Washington, but is essentially encircled by a beautiful countryside, complete with fresh air, rolling hills, streams, farms, and natural areas. This location is a constraint and an opportunity.

On the one hand, the City’s location is a constraint because access to the City is relatively limited, making business travel and shipping (other than parcel services) relatively inconvenient. A regional airport is located just across the state line to the west, but the majority of reasonably-priced commercial flights go in and out of Spokane -- a 90 minute drive from Moscow. And although Highway 95 and Highway 8 are important regional thoroughfares, they are not comparable to interstates.

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14 Festival marketplaces were a popular downtown and waterfront redevelopment strategy in the 1980s and 1990s. They were typically inwardly focused, with trendy shops, restaurants, and sometimes hotels. Unlike the Legacy Crossing proposal, they did not typically integrate into the fabric of the community particularly well, and few conveyed a sense of authenticity, history, permanence, or relationship to place.

15 Fortunately, not all of the aspects of Florida’s hypothesis pan out in Moscow. For example, if the Florida model predicted behavior in Moscow, then a perception that the atmosphere is polarizing (discussed in Section 4.02.B, above) would lead to an exodus of the footloose “creative class,” a group that is purportedly readily attracted to the next best thing. Moscow’s permanent residents are spirited and loyal, and would rather stay and advocate for their positions than leave to avoid conflict.
On the other hand, Moscow’s location is a significant asset in terms of its quality of life. Unlike so many cities that grow into each other along Interstate corridors, Moscow is a (relatively) “free-standing” City with a true identity. Like anywhere else there are some generic commercial influences, but Moscow has retained its community character in spite of those influences. Additionally, traffic is minimal, air quality is good, and people are friendly.

4.1.2 | Transportation and Transit

4.1.2.A | Transportation Mode Share

The number of people who do not drive alone to work in Moscow is remarkable -- and a point that the City should highlight (the ability to use alternative transportation is attractive to the “creative class,” not to mention prospective university students). Even though 93 percent of Moscow’s households have an available vehicle, a sizeable number of Moscow’s workers do not use single-passenger automobiles for the journey to work. In fact, in 2000, almost one-quarter (23.6 percent) of Moscow’s workers either walked or used “other means” (non-vehicular) to get to work, and only 61.3 percent (6,240) drove alone. See Figure 4.6, Multimodal Transportation. By comparison, the national figures were: 4.1 percent walked or used “other means,” while 75.7 percent drove alone.16

4.1.2.B | Transit

Transit is an asset to the Moscow community and to the region. Although it is not widely used for work-related trips, it is heavily used by University of Idaho students to get to class. It should therefore be considered and valued as an amenity for students that can contribute to attraction and retention rates -- and a way for students to get to and from local stores and restaurants.

Moscow Valley Transit (“MVT”) provides two fixed bus routes for local transit (East, which serves generally East of Main Street; and West, which serves gen-

16 The percentages do not add up to 100 because “carpooling” and other vehicular options are not included.
eraly West of Main Street, except for a slight jog into the University), both of which are free to riders. These routes have 30 minute headways, and report 120,000 boardings annually. Almost two-thirds of Moscow Valley Transit riders are University of Idaho students. Forty-six percent of the students riding Moscow Valley Transit are going to and from class. MVT also provides point to point “dial-a-ride” service.

MVT buses are “bicycle friendly.” That is, they offer bicycle transport, with a capacity of two to three bicycles per bus. According to Moscow Valley Transit, these bicycle racks (located on the front of the buses) are well-used.

Regional transit is provided between Moscow and Pullman, Washington by Wheatland Express, which provides free inter-city transit service to University of Idaho and Washington State University faculty, staff, and students. Others may ride for a fare of $2.00, with discounts available to children, seniors, and those who purchase a 20 voucher booklet. The route operates on one-hour headways.

4.1.3 | Housing

Housing in Moscow is, on the whole, expensive compared to the incomes of the City’s households. In 2007, the median home sold for $200,000. According to National Association of Homebuilders estimates, the income required to sup-

17 These services are jointly funded by the City and the University of Idaho.
port purchase of that home in Moscow is $61,091. Fewer than one-third of Moscow’s households earn that amount.

Housing is already on the City’s agenda. For example, a workforce housing project is underway in the southeastern part of the City. See Figure 4.7, Workforce Housing. In order to maintain a jobs-housing balance that favors living and working within the City, the City should continue to monitor housing supply and income stratifications, and conduct periodic review to ensure that its regulatory structure is in line with the demands of its existing households.

The City should also adopt standards or guidelines to upgrade the character of workforce housing. Figure 4.7, Workforce Housing shows the new workforce housing product (top) compared to a twin-home in the northern part of the City (bottom). The figure demonstrates that workforce units do not have to be unattractive.

4.1.4 | Infrastructure

4.1.4.A | Existing Streets, Sidewalks and Pathways
Moscow is crisscrossed with 88.6 miles of paved streets, 73.99 miles of which are City streets, 7.11 miles of which are State Highways, and 7.5 miles of which are University of Idaho Streets. There are also 8.86 miles of alleys and 5.11 miles of pathways in the City. Although certain parts of the street system have room for improvement, the system on the whole functions quite well -- intra-city mobility is very good.

4.1.4.B | Existing Water and Sewer Service
Water and sewer are a potential constraint, depending upon the nature of the industry that seeks to locate in the City. The City is in the process of investing $6 million in its wastewater treatment plant, primarily for effluent filtration to bring the plant into full compliance with the Clean Water Act. The City is also considering a lift station renovation program, improvements to standby power generators, and a new sewer department operations facility.

In terms of water service, the City is planning:

- A bulk materials storage site enclosure;
- Land acquisition in the northeast part of the City for a storage tank;

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18 According to methodology published by the National Association of Homebuilders, a home is “affordable” if the cost of financing a 30-year, 90 percent loan-to-value mortgage, plus property taxes, plus private mortgage insurance (estimated at 45 basis points) is less than 28 percent of the household’s income. Gail Byers Real Estate tracked 295 closed listings in 2007, and determined that the median sales price was $200,000. The estimate assumes a 30-year mortgage at 6.75 percent annual interest, $75,000 homestead exemptions, and 16.99 mill property tax rate.

Water main improvements along U.S. 95, A Street, Mountain View Road, Polk Street, and Rodeo Drive; and

Acquisition of property for a new operations facility for the water department.\(^{20}\)

The City recently completed rate studies for the water and sanitary sewer systems and is undertaking comprehensive utility studies of each system to identify areas of the City where the mains have limited capacity available. These studies will determine necessary upgrades to alleviate the capacity issues.

Perhaps a more significant constraint is the decline in the level of the Grande Ronde aquifer (a prehistoric aquifer which has limited recharge) and regional agreements that voluntarily limit groundwater withdrawals to 875 million gallons per year. While the Comprehensive Plan calls for re-evaluation of the agreements in light of regional circumstances and enhancements in modeling technology, the outcome of such an outcome is uncertain at this time. A reliable and renewable water supply is an obvious precondition for a City that will remain fiscally and environmentally sustainable over the long term. Moscow, unlike neighboring Pullman, Washington, and other cities in the region, has the advantage of being able to obtain water from the Wanapum aquifer, a source which does recharge. Sustainable use of the Wanapum aquifer, from which the City draws approximately 30 percent of its water production, is an important step in maintaining a reliable and renewable water supply.

### 4.1.4.C | Power

Inexpensive power is an economic development asset. The majority of Moscow’s electricity is provided by Avista Utilities, which has some of the lowest electric-
Avista Utilities allows “net metering” on a limited basis (up to just over 1.5 MW total generation among all “net metered” customers). Net metering allows people who install alternative energy systems that connect to the grid to sell their energy back to the utility at retail rates when they generate more than they use, thereby offsetting their electricity bills.

The State of Idaho also promotes small renewable energy installations:
- Tax deductions for homeowners who install alternative energy devices. Section 63-3022.C., Idaho Statutes, provides for an income tax deduction of 40 percent of the amount that is “properly attributable to the construction, reconstruction, remodeling, installation or acquisition of the alternative energy device in the year when such device is completed or acquired and is placed in service by the taxpayer;” and 20 percent per year for three subsequent years, to a maximum of $5,000 in any one taxable year.
- Low interest loans for energy conservation or renewables. Current program parameters are loans with a five year repayment period, at four percent interest, with loan amounts up to $15,000 for residential applications and $100,000 for all other applications.

FIGURE 4.9 | Renewable Energy Incentives
Source: Idaho Statutes; Avista Utilities

In light of the relatively inexpensive power in Moscow, the payback period may be relatively long on these alternative energy investments. However, investments in alternative energy and conservation provide the City with the security of energy independence as the fossil fuel component of the City’s power becomes more expensive.

4.1.4.D | Planned Infrastructure
The Comprehensive Plan identifies several studies that are needed to assess the maintenance, replacement, and upgrade needs of the City’s water and sewer infrastructure.

With respect to planned infrastructure related to mobility, the Comprehensive Plan recommends:
- Protecting Palouse River Drive (“PRD”) as a future “cross-town expressway” before land along the street is extensively developed. An improved Palouse River Drive would provide access to emerging commercial and industrial areas.

21 See http://www.avistautilities.com/savings/rebates/
Connecting Trail Road to Highway 95, with construction of the connection commenced as warranted by expansion of development in the Northeastern part of the City.

- Reducing the conflict between regional traffic (especially truck traffic) and local pedestrian and automobile traffic downtown by providing a bypass/ring road around the City.

On the short run, the City should take steps to protect the function of PRD as the corridor develops, and should prepare to improve the street when a critical mass of development that takes access from it is committed. See Figure 4.10, Palouse River Drive (next page).

Over the longer run, the City should work toward implementation of the ring road (as discussed in the Comprehensive Plan, and shown on the thoroughfare plan in the Comprehensive Plan). The Ring Road could provide:

**FIGURE 4.10 | Palouse River Drive**

Source: University of Idaho Moscow Campus Imagery
Chapter 4: Constraints, Opportunities, and Alternatives

4.1.5 | Public Services

4.1.5.A | Law Enforcement
Moscow’s law enforcement (and low crime rate) is an economic development asset. Moscow has 1.57 officers per 1,000 population -- slightly fewer than comparably sized communities in western mountain states (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming), which average 1.8 officers per 1,000 residents. However, notwithstanding its lower ratio of officers to residents, Moscow enjoys a very low crime rate.

4.1.5.B | Fire Protection
Moscow’s volunteer fire department is another economic asset. In total, the MVFD has 95 volunteers who provide fire protection service and volunteer ambulance service to approximately 30,000 people in a 128 square mile area. MVFD volunteers collectively undergo 8,000 hours of training and provide approximately 1,000 hours of response time each year.

The City has an Insurance Services Office (“ISO”) Class Three re insurance rating, which translates into greater safety and lower fire insurance premiums than many communities of comparable size. The Department’s response time is less than four minutes for 90 percent of its calls. The City’s three fire stations are located within 1.5 miles of each other.

4.1.6 | Telecommunications
High-speed internet access opens the door to developing knowledge-based industries that rely on large data sets and reliable communications among dispersed locations. As the speed and reliability of the communications infrastructure improves, the range of opportunity for economic development increases.

High-speed connectivity to the Internet depends upon a two-way “backbone” connection to an Internet Exchange Point (IXP), where connections to the rest of the world are made. “Backbones” are typically fiber optic trunk lines, with multiple fiber optic cables combined together to increase capacity.
There is some fiber in Moscow. The lines that run from the University of Idaho library into Moscow are controlled by the City of Moscow, and the lines that run from the library to Pullman, Washington are controlled by the Port of Whitman County. See Figure 4.11, Port of Whitman County. The nearest “point of presence” (that is, location for servers and internet interconnections) is in Pullman, so local internet service providers must generally lease fiber between their Moscow offices and the Pullman point of presence.

The challenge is that, although the City is well wired for high-speed access, the connections to IXPs elsewhere are somewhat limited, and dedicated access is very expensive. Anecdotally, at least one business decided not to locate in Moscow because the cost of a fiber connection to support large amounts of outgoing data was reported to be in the tens of thousands of dollars per month. In the future, the availability of low-cost, reliable, high-speed internet access will be an asset for knowledge-based economic development.

As yet, the City’s knowledge-based industries have generally been content to rely upon inexpensive commercial wireless connections (connections that deliver speeds of up to 2.0 megabits per second downstream and 500 kilobits per second upstream), or DSL (which has speeds of up to 3.0 megabits per second downstream and 768 kilobits per second upstream). See Figure 4.12, Internet Traffic Directions. This is reasonable, cost-effective access for many of the City’s industries, but, for the time being, limits the potential for development of data-intensive industries that require faster, more reliable connections.

By way of comparison, fiber optic lines utilizing current technology can reach speeds of almost 40 gigabits per second in both directions – 20,000 times faster than the download speed of the current commercial wireless service. Although Alturas is wired with fiber optic cable, it was only recently that a business in Alturas opted to spend the extra money to connect to the fiber instead of the high-speed wireless network offered by the local internet service providers. And, of course, until the fibers are well connected to the Internet “backbone,” their full potential will not be realized.

The City should take steps to reduce the cost of broadband internet access as the demand for such access grows. In this regard, the City should support efforts to install fiber optic trunk lines or other high-speed, reliable connections to provide
faster, more reliable communications between the Moscow-Pullman region and major internet trunks, such as the Inland Northwest GigaPop. The City should also consider establishing a “point of presence” in Moscow to reduce costs for local internet service providers and their customers.

4.1.7 | Capital

4.1.7.A | The Public Sector

The 2007 Comprehensive Annual Financial Report for the City of Moscow shows that the City is fiscally healthy. In 2007, City revenues were $26,576,428, and total expenses were $20,881,216. At the end of 2007, the City had an unreserved fund balance of $5,593,113, available for spending at the City Council’s discretion.

In terms of debt, the City had a total outstanding debt of $15,205,000 at the end of fiscal year 2007. Of that total:

- $3,690,000 was in the form of general obligation bonds, which are backed by the full faith and credit of the City;
- $10,000 is special assessment debt that the City is liable for in the event of default of those subject to the special assessment;
- $8,630,000 is sewer revenue bonds (payable only from sewer charges and not backed by the full faith and credit of the City); and
- $2,875,000 is certificates of participation, which are secured by a lien on the Hamilton Indoor Recreation Center, and are subject to annual appropriation.22

The City’s healthy financial position opens up the possibility of participation in economic development projects in one manner or another. However, direct participation through appropriations of unreserved funds should not be over-used as an economic development tool for two principal reasons:

- The City’s healthy fiscal position is the result of fiscally responsible, relatively low-risk investments; and
- As Confucius once said, “When prosperity comes, do not use all of it.”

That said, for the right project, the City should be prepared to commit public funds if cost-effective and necessary. Such funding should be tied to committed private development, in order to ensure that it has the desired effect.

In addition to direct funding of projects that support economic development, the City has a number of other tools that it can use to help finance development -- or help manage or distribute costs, including:

22 These certificates represent an undivided, proportionate ownership interest in the payments due from the City.
General obligation bonds (backed by the full faith and credit of the City), which may be used for any public purpose, but which must have a period of not more than 30 years, may not account for more than two percent of the assessed market value of property in the City; and must be approved by two-thirds of the voters at referendum. In 2007, the City had the legal capacity to issue up to $15.1 million in general obligation bonds.

The municipal industrial development program, authorized by Title 50, Chapter 27, Idaho Statutes (2008), which allows the City to form an industrial development corporation, an entity which can issue tax-exempt revenue bonds to finance industrial development projects.

The urban renewal law, Title 50, Chapter 20, Idaho Statutes (2008), which provides for the creation of an urban renewal authority that can take an active role in redevelopment, and has the power to issue bonds that do not obligate the City. The City has applied this law in Alturas and Legacy Crossing.

Business improvement districts, authorized by Title 50, Chapter 26, Idaho Statutes (2008), which allow for special assessments to fund parking, physical improvements to public space, event programming, transportation in support of retail trade, and promotion of retail trade. These districts may be formed upon petition of property owners who would pay 50 percent or more of the special assessments.

Community infrastructure districts, authorized by Title 50, Chapter 31, Idaho Statutes (2008), which are special purpose governmental entities that are formed by petition of affected property owners for the purpose of developing and maintaining infrastructure. These districts have taxing authority and can enter into development agreements.

The City also has a full-time grant writer who can seek funds for special purposes from grant-making entities. The University and local nonprofit economic development entities (e.g., Latah County Economic Development Council and the Clearwater Economic Development Agency) may also participate in projects that further their respective missions (e.g., the Business Technology Incubator).

### 4.1.7.B | The Private Sector

Moscow is a relatively prosperous place. However, on the highest rungs of the household income ladder, there is a smaller proportion of households earning $100,000 or more annually in Moscow than in the United States as a whole. In 2007, 9.31 percent of Moscow’s households earned more than $100,000 (see Table 1.3, Moscow Household Income Projections, in Chapter 1), while 19.09 percent of the households in the United States earned more than $100,000. Less than one half

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23 See Section 50-1026, Idaho Statutes (2008); and Article VIII, Section 3, Idaho Constitution.
of one percent of Moscow’s households earned $500,000 or more in 2007, while 1.9 percent of households earned this amount nationally.

These proportions suggest that most of Moscow’s startups will be fueled by debt and “sweat equity” -- or the lucky break of obtaining investment capital from somewhere else -- as there are comparatively few households with substantial liquid cash to put into an equity position in a new business venture. This does not mean that the businesses will not be successful, but it does mean that in all likelihood their first stages of growth will be relatively slow while they build the equity that they need for expansion.

The City is not allowed to pledge its credit, directly or indirectly, to private parties.24 However, if the City chooses to be more active in developing local businesses, it can do so by taking steps to lower the cost of doing business -- making the early financial burdens businesses must bear less onerous. Strategies for reducing the cost of doing business are provided in the next section.

4.2 | Alternative Strategies for Economic Development

4.2.1 | Managing Expectations
The objective with respect to economic development in Moscow is to develop, attract, and retain companies that create “good jobs,” which will, in turn, enhance the atmosphere for other development that supports a desired quality of life in the City. To this end, there is not likely to be a “magic bullet” that will create significant numbers of “good jobs” within the City. Rather, it is anticipated that the development will be incremental. With a labor force of approximately 10,500,25 even the addition of a firm as large as 100 employees would have a relatively modest effect on overall employment.

4.2.2 | City-University Synergy
No matter how much risk the City wants to take in terms of economic development, in order to maintain and protect what the City has, it should strengthen its ties to the University and become a strong advocate for policies and programs that favor improvements and funding at the University. That is not to say that the City should plan to become more reliant on the University or meddle in its affairs, but only to say that the health of the University will impact its potential for technology transfer, and the provision of good jobs, arts and culture, and other related

24 See Article VIII, Section 4, and Article XII, Section 4, Idaho Constitution.
25 Derived from County labor force data by multiplying the county labor force, by the proportion of county residents that live in the City of Moscow and rounding off to the nearest 100.
amenities. In effect -- whether the City and the University like it or not -- they are *de facto* development partners. Consequently, the University should also advocate for laws and policies that help the City.

### 4.2.3 | Economic Development Scenarios

What follows are three alternative development scenarios, ordered as follows:

- The “as-is” scenario, which illustrates the anticipated outcome if the City does not intervene in its own economic development.
- The “least regret” scenario, which anticipates some City intervention, but in ways that emphasize reducing downside risk if the investments fail to produce fruit.
- The “risk-tolerant” scenario, which anticipates aggressive City intervention, with less regard for insulating the City against the potential downsides.

The purpose of these scenarios is to provide suggested strategies based on the City’s level of risk tolerance, without evaluating the level of risk tolerance in advance. By providing alternative scenarios, this plan also anticipates that, along with economic development successes, the City’s capacity for (and tolerance for) risk will increase.

### 4.2.4 | The “As-Is” Scenario

The “as-is” scenario assumes that the City does nothing to encourage further economic development, and that existing trends continue. Extrapolation of current conditions suggests that:

- City population and university enrollment will be relatively stable.
- Nominal per capita income will increase, but the increase may be insufficient to overcome inflation, potentially resulting in a modest decrease in per capita spending power.
- Residents will continue to form businesses in the City at a modest pace, but the “bedroom community” trajectory is unlikely to be redirected.
- Demand for housing that is tailored to the lifestyles sought by aging populations and retirees will increase.
- Some portion of the population is likely to become frustrated (or economically over-burdened) with flattening and modestly declining real income, and the number of people who move away from the City in search of more lucrative opportunities may increase.
- Redevelopment in the Legacy Crossing Urban Renewal District, could reinforce downtown and provide needed space for knowledge-based business outside of Alturas Technology Park.
4.2.5 | The “Least Regret” Alternative Scenario

4.2.5.A | Generally
The “least regret” alternative scenario assumes that the public sector intervenes to support economic development, but that it does so in a manner that creates the lowest potential for regret if the investments do not produce the expected returns. Since there is great competition for public resources, and the economic situation of the city is not exactly “dire” (although the outmigration of 21 to 54 year-olds should be addressed in the short-run)\(^26\), the “least regret” scenario provides a set of policies that can be implemented relatively quickly, and the City can then pause to see if they have the intended effect before taking more aggressive measures.

The “least regret” scenario is based on the premise that the creative energy of the City is ready to create economic opportunities, but held back by three factors: (1) a lack of available suitable land or facilities to open businesses; (2) lack of connections between people necessary to bring ideas to market; and (3) lack of access to resources needed to start businesses.

4.2.5.B | Highlights
The “least regret” scenario calls for the following low-risk strategies:

- Recalibrating and reworking the City’s land development regulations, and proactively rezoning land to provide an adequate supply of land for commercial ventures.

- Redevelopment in the Legacy Crossing Urban Renewal District, which has potential to reinforce downtown and provide needed space for knowledge-based business outside of Alturas Technology Park, including, potentially, some part of the Center for Ecological Health and Sustainability.

- Strengthening ties to the University of Idaho and continuing to participate in the efforts of the Palouse Knowledge Corridor.

- Involving the arts community in community design (e.g., public art and infrastructure with artistic elements) in order to reinforce the “core creative” segment of the City’s “creative class” by providing visible work opportunities in the community. Of course, these opportunities also improve the City’s physical character and sense of identity.

- Increasing the scope and depth of the activities of the Chamber of Commerce, Latah County Economic Development Council (“LEDC”), and Clearwater Economic Development Agency (“CEDA”), to facilitate programs focusing on providing information and strategic advice about such things as:

\(^26\) See Table 1.1, Age Cohort Projections, in Chapter 1, Economic Base Analysis, for a breakdown of the projected outmigration based on the continuation of existing conditions.
• Low-cost business development strategies;
• Social network development (including networking with local suppliers and related businesses);
• Business entity formation and related tax and legal issues;
• Seeking financing and venture capital;
• Retaining professional management;
• Commercial leases;
• Business management and management innovations;
• Controlling costs;
• Internet marketing and fulfillment; and
• Loyalty programs.

4.2.5.C | Proactive Rezoning
The proactive rezoning strategy is intended to remove regulatory constraints to the economic energy that the City already possesses. Making land available for nonresidential uses is the first step in developing them. The recommended parameters for reworking the City’s land development regulations and rezoning land in the City are set out in Chapter 1.

Of course, it is not a “given” that regulatory reform, alone, will lead to the desired result. However, regulatory reform is an important building block that must be in place to implement many of the more aggressive strategies.

4.2.5.D | Redevelopment
The Legacy Crossing urban renewal area represents an opportunity to reinforce downtown by strengthening the physical connection to the University of Idaho and by anchoring the southern end of the downtown with relatively intense mixed-use development. A well-designed redevelopment project at Legacy Crossing helps advance the strategy of becoming “the place to be for retail” that is outlined in Chapter 2. The potential for dense, urban residential development would help to diversity the City’s housing stock, providing a greater range of life-cycle housing opportunities. Finally, the potential development of office and lab space could provide opportunities for the formation or relocation of knowledge-based businesses that cannot currently find suitable space in Moscow.

4.2.5.E | University / Palouse Knowledge Corridor
The desire to strengthen the ties between the City and the University is nothing new. Many prior reports have suggested that protocols be established for regular
communication and coordination at a variety of levels (for example, the NewCities Final Report calls for “creating regular dialogue between City officials and University faculty and students”). Ongoing channels of communication include “town and gown” meetings of the University President, the Mayor of Moscow, and senior staff, and meetings between members of the City staff and the University’s departments that deal with physical plant.

The Palouse Knowledge Corridor effort is another channel of coordination with the University. As emphasized in Section 4.2.2, City-University Synergy, the City and the University are development partners, and any significant investment or initiative of the City or the University should continue to be reviewed through the lens of how it could be further leveraged to enhance the interests and well-being of the other. Open communication channels are essential to that analysis.27

Whatever the current level of communication is between the City and the University, there are a perceptible number of people in the community (on both sides of the equation) that have asserted at focus group meetings for this plan and the Comprehensive Plan that there is much room for improvement. If communications are strong, their successes should be publicly celebrated in order to raise the community’s confidence and encourage more communication. If they are not strong, then the City and the University should reexamine how they allocate their respective resources, and consider elevating regular communication among their many priorities.

4.2.5.F | Arts
Public art and artistic public infrastructure provide employment for local artists and differentiate the City from other places. The City should commission public art to be created by local artists and installed at key locations in the City as recommended by the Comprehensive Plan. See, e.g., Figure 4.13, Public Art, next page. The City should also look to its artistic community for providing elements to be incorporated into infrastructure projects (e.g., tree grates, bridges, benches, etc.).

4.2.5.G | Business-Oriented Programming
People who are younger than 54 may not be leaving Moscow just to chase after “city lights.” Some of the out-migration may be reluctant people who are simply “priced out” of Moscow and move elsewhere to find a “better job,” work-life balance, or a different amenity mix. Business and economic development groups in the City (and the region) should offer free or low-cost practical training to encourage younger people to be entrepreneurial. This will enhance business generation and succession opportunities for local businesses.

27 See footnote 7, supra.
The process could start as early as kindergarten. Junior Achievement, for example, provides a series of courses that begin in Kindergarten and can go through high school. These programs teach economic concepts, business skills, decision-making skills, money management (from saving money to financial statements, depending upon the level of the course), and business formation.

University students and graduates could also benefit from free or low-cost training. The Chamber of Commerce, Latah Economic Development Council and Clearwater Economic Development Agency could host programs that provide business development (and social network development) opportunities. For example, practical lectures on incorporation, licensing, management innovations, cost controls, internet marketing and fulfillment, and loyalty programs could be helpful to both existing businesses and potential start-ups.

**4.2.6 | Risk-Tolerant Alternative Scenario**

**4.2.6.A | Generally**

The “risk-tolerant” alternative scenario assumes that the public sector aggressively intervenes in economic development. The scenario does not encourage speculative investments that are based merely on the belief that “if you build it, they will come.” Rather, if this scenario is implemented, public sector investments should generally be used to leverage committed or reasonably expected private sector investment.
4.2.6.B | Highlights
The “risk-tolerant” alternative involves all of the components of “Least Regret” scenario, plus:

- Expand the fiber-optic network (including connections to internet backbones) and take steps to reduce cost of its use.
- Expand the Alturas Technology Park and develop another Business Technology Incubator (or expand the existing one).
- Develop the industrial park (or a comparable facility) that is described in Chapter 3.
- Aggressively seek out and develop alternative water supplies.

4.2.6.C | Fiber Optic Network / Broadband
The NewCities Final Report (attached as Appendix C, NewCities Final Report) suggests that the City “create infrastructure -- both hard (water, sewer, roads, etc.) and soft (broadband and other telecommunications),” in order to strengthen the City’s connection to the global economy. Programs are already underway (and, in some cases, completed) to strengthen the City’s broadband connectivity, however, increasing access to the broadband network and lowering the cost of access will likely require commitment of City resources.

The City should be prepared to extend fiber down Palouse River Drive as the corridor develops, provided that the investment is tied to leveraging committed investments with a reasonable demonstration of feasibility. The City should also consider how it can leverage its ownership of the fiber optic lines to reduce the costs of access. One idea is establishing a point of presence in Moscow, in order to reduce the lease costs of lines to the nearest point of presence in Pullman.

4.2.6.D | Expansion of Alturas and Incubator
The Urban Renewal Agency (“URA”) spearheaded the development of Alturas (see Section 1.3.1.C, Urban Renewal Districts) and the Business Technology Incubator
(see Section 1.3.1.B, Business Technology Incubator). Both are demonstrated successes based on calculated risks. Both successes could be built upon.

Some of the community’s economic development professionals have argued that the footprint of Alturas is too small, and that the URA should take steps to ensure that land near Alturas develops as another phase that is connected to Alturas. Since technology-oriented businesses clusters tend to thrive when they reach a critical mass, the opinion of these professionals is not without support.

Yet, the timing of the market with respect to the expansion of Alturas may not be in line with the economic expectations of the landowner. The URA should investigate ways to work with the landowner to incorporate the land into the park while providing some relief to the landowner in terms of loss of reasonably expected shorter term gains. Among the many options could be a negotiated right of first refusal, a purchase of some of the owner’s development rights, to be held in reserve for later use, or outright purchase of the land at a mutually agreed upon price (the most aggressive option).

The Business Technology Incubator is also a success story. In the “risk tolerant” scenario, the URA would work with LEDC, the University of Idaho, and others to increase the incubator’s capacity.

The proposed Alturas and Incubator expansions entail some risk because they are not tied to committed development. However, they are not exactly “fields of dreams” because their success is already demonstrated. The strategic approach should be to increase the incubator’s visibility and capacity first, while preserving the opportunity to expand Alturas in the lowest-cost manner that respects the property rights of the owner of the adjacent land. Then (as with the creation of Alturas in the first place), businesses from the incubator could round out the existing Alturas development and begin to develop the expanded area.

4.2.6.E | Industrial Park
As detailed in Chapter 3, the City does not have a large supply of industrial land at this time. Along with the proactive rezoning strategy suggested by Section 4.2.5.C, Proactive Rezoning, the City should take steps to create an industrial park comparable to the one described in Chapter 3. The City could form an industrial development corporation pursuant to Title 50, Chapter 27, Idaho Statutes (2008) to finance the necessary improvements. However, it is important that the City structure the financing to ensure that the cost of space in the industrial park does not

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28 In such an arrangement, the URA would pay the property owner for the right to decide to purchase the property in the future if another offer comes in. In other words, if the property is marketed and a potential purchaser makes an offer, the URA would have the opportunity to match the offer before a contract between the landowner and another potential purchaser becomes binding.

29 Development rights can be sold, just like easements, mineral rights, or other property rights.
overburden the potential tenants (e.g., if assessments for funding improvements are too high, the tenants may not be able to afford the rent, or may not take the risk associated with leasing relatively high-rent space).

4.2.6.F | Water Supplies

The comprehensive plan calls for the identification and development of alternative water supplies. The City’s voluntary regional agreements limit its groundwater withdrawals to 875 million gallons per year. The City has done an extraordinary job with regard to conservation. However, growth will ultimately require either revisiting (or abandoning) the agreement or developing new supply.

Revisiting the agreement in order to update and re-test its assumptions using modern methodologies is the first step. It is a step that is relatively low-cost, but does entail the risk that the 875 million gallon per year production cap could be revised downwards. If the production allocation to Moscow does not increase, then surface water or aquifer storage and recharge project alternatives ought to be identified and developed.

These facilities should be designed to respond to the likely increased winter precipitation (as rain instead of snow), and faster expected snowmelts that are expected to come with climate change by mid-century. Obviously, this step will take significant amounts of money, and if production capacity cannot keep up with growth expectations, then the identification of funding sources should become an immediate priority. The City should work with its partners in the Palouse Basin Aquifer Committee to ensure that these supplies are planned and implemented at a regional scale, with shared costs and increased leverage for obtaining federal and state funds.

4.2.7 | Afterward on Self-Sufficiency

Moscow is positioned near an economic “mega-region,” but is located in a rural setting where self-sufficiency was historically the norm. As other regions become increasingly stressed with respect to energy and natural resources due to their development patterns, a changing climate, and increasing fossil fuel costs, Moscow is in a place where drought is not expected, electricity can be generated at a relatively low cost with renewable resources (e.g., wind, hydro, solar, and biomass), and soils are fertile. Additionally, Moscow provides exceptional bicycle and pedestrian mobility, allowing for households to reduce transportation costs (not to mention improving their quality of life).

In addition to leveraging its creative class to build its economy with respect to exporting knowledge-based products and services, Moscow might consider taking additional steps to maximize its ability to become “self-sufficient” in a highly uncertain, but certainly changing, world. Water resource development (discussed in the previous section) is one important aspect.
Food is another. In this respect, Moscow should consider encouraging its significant talent pool in life sciences to work on ways to achieve a sustainable local food system that responds to expected climate changes. Diversification of production and development of small-scale food processing industries and technologies (e.g., food storage and preservation) are worthy objectives. This may be an appropriate addition to the mission of the proposed Center for Ecological Health and Sustainability, or it may be a basis for the creation of a related enterprise.
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5.0 | Economic Development “Readiness”

5.0.1 | Generally
Moscow is full of ideas and talent that are, as of yet, not fully tapped in terms of their economic development potential. The City has many of the elements that help to create a prosperous and sustainable local economy:

- A great quality of life;
- A beautiful natural setting;
- An educated and talented workforce;
- An abundance of creativity and innovative ideas;
- Desirable (and authentic) community character and amenities;
- A fiscally responsible local government; and
- Good schools and universities.

The City’s growing economy is rooted in these elements. This action plan is based on the idea that there are four areas in which the City and its people can intervene to remove regulatory barriers and provide targeted catalytic activity to realize more of the economic potential that already exists in the City. They are:

- When possible, revise the City’s land development regulations to encourage businesses to locate, grow, and expand in appropriate areas without unnecessarily burdensome procedures;
- Foster stronger organization and collaboration among business leaders;
- Improve outreach to (and educational programs for) potential business leaders about practical business issues; and
- Develop facilities for business at a variety of levels, price points, and ownership/lease arrangements (e.g., more incubator space, more space in Alturas, a new industrial park, more and better retail space).

5.0.2 | Attracting Business
Quality of life is a major factor in economic development in this first part of the 21st Century. As outlined in Chapter 4, a high quality of life can attract business, as business owners and entrepreneurs are attracted to the City. In that regard, Moscow is an attractive place with an exceptional quality of life.

The City’s recruiting efforts should be focused on right-sized businesses that are scaled to the community (in terms of demand for land area, compatibility with existing development pattern, water and sewer demand, and labor force requirements), relate to growing industry clusters in the community (see, e.g., Figure...
### 5.1A and 5.1B, Industry Clusters

and plan to grow by hiring local talent. The objective is to promote diversity and stability by recruiting and growing firms that are scaled to the community, which, individually, have low potential to “shock” the City’s infrastructure or economy when they arrive (e.g., by straining infrastructure), or if they subsequently relocate (e.g., by displacing large numbers of workers).

### 5.0.2.A | Recommended Actions for Local Economic Development Entities

The Palouse Knowledge Corridor Initiative ("PKC," a networking and regional branding initiative), the Chamber of Commerce, the Latah Economic Development Council ("LEDC"), and Clearwater Economic Development Association ("CEDA") should all play a role in highlighting the growing industry clusters in Moscow. At a minimum, the following actions should be taken:

- The Chamber of Commerce and/or LEDC should help organize and sponsor regional (and small national) conferences of trade groups and professional organizations that involve Moscow’s industry clusters. This will bring related industry leaders to Moscow to network and experience the City’s many amenities. Conferences should generally be at a scale of 100 to 300 attendees and timed to ensure available rooms, unless the real estate market brings additional lodging capacity to the Moscow-Pullman region.

#### FIGURE 5.1A | Industry Clusters

Source: Palouse Knowledge Corridor (note: this is not a complete list)
The PKC should place ads in, and submit press releases to, targeted trade and professional magazines about Moscow’s successes and growing industry clusters.

The Chamber of Commerce should ensure that popular web sites that allow for user-driven content are up-to-date (e.g., sperlingsbestplaces, wikipedia, and wikitravel).

The PKC should lead the effort to highlight the industry clusters, and innovations and successes that they produce, on a PKC web site that is referenced from the City, the Chamber of Commerce, the LEDC, and CEDA.

The PKC should lead an effort to highlight the region’s accessibility. For example, the Pullman-Moscow Regional Airport offers fast-access to the skies (short security lines and check-in times as late as 30 minutes before departure), and recently added capacity for Q-400 aircraft (increasing its passenger capacity). Moreover, even if one opts to use the Spokane airport, the drive from Moscow is reasonable and pleasant, and the total time from home to airport gate is comparable to many metropolitan areas which involve heavy traffic and long security delays.

5.0.2.B | Recommended Actions for Alturas Urban Renewal Agency

Alturas Technology Park is a prime location for knowledge-based businesses. However, the development program of the park is principally build-to-suit, and there has been little interest among investors in constructing for-rent or office condominium space at Alturas. As such, Alturas has been building out at a modest pace.

It is possible that, even though the Urban Renewal Agency (“URA”) has substantial latitude to write down land costs in Alturas, the cost of development in Alturas remains an obstacle to market production of rental or condominium-ownership office space. To illustrate, consider a typical 34,631 square foot lot in the park. The

Manufacturing and Advanced Materials

In Moscow:
- Biketronics
- RAM Products

In Region:
- GoNano Technologies, Inc.

In Moscow:
- Fabtec, Inc.

In Region:
- Michaels Enterprises, Inc.

Potting Shed Creations

DB, Inc.

Environmental Services

In Moscow:
- Cramer Fish Science
- Invertebrate Ecology
- John MP Bioenergy Consulting

In Region:
- Medical Micro Machining
- Potting Shed Creations

Information Services / Technology

In Moscow:
- EMSI (Economic Modeling Specialists)

In Region:
- Eureka Software
- Christian Inspiration Management Software

FIGURE 5.1B | Industry Clusters

Source: Palouse Knowledge Corridor (note: this is not a complete list)
A typical lot in Alturas is approximately 0.8 acres, and will easily support a building on the order of 7,000 square feet. The illustration above is a 6,926 square foot office building located on a 34,631 square foot lot, with 21 parking spaces (more would fit on the site, if needed) and quality landscaping. This building could be divided into up to six individual offices for small knowledge-based companies.

**FIGURE 5.2 | Illustrative Alturas Office Building**

Source: Kendig Keast Collaborative

The URA should consider creative strategies for encouraging development of rental or condominium office space (depending upon market conditions) to attract additional small businesses to Alturas. For example, a 50-year or 99-year land lease could be used to lower the cost of land to a nominal price (e.g., $1 per year), and two undeveloped lots could be leased to a developer (who could then sublet at market value as demand for land in the park increases) in exchange for condominium ownership of, or a no-cost lease for, approximately 1,800 square feet of office space for the URA to control in the hypothetical building described above.

Such a transaction would assume land valued at approximately $8 per square foot would be exchanged for office space valued at approximately $150 per square foot, and construction of an office building with 5,126 additional square feet, which would support two to five new small businesses at rents that would be supported
in the market. It would lower the developer’s cost by eliminating the cost of land and immediately absorbing a substantial portion of the building, paid for by the URA’s existing appreciated investment in land.

Of course, the technical details of a creative transaction in Alturas should be worked out in the context of an actual negotiation. The illustration is provided simply to encourage the URA to explore nontraditional approaches to public-private partnerships. Implementation of the recommended development strategy should begin with a request for proposals to seek a development partner that will provide a market study and -- assuming that the extra involvement of the URA is sufficient to justify the risk of development -- produce a high-quality building that will attract small business tenants.

### 5.0.3 | Expanding Business

There are three key factors that affect the expansion of existing businesses. First, the current land development regulations and zoning map constrain the amount of land available for manufacturing, research, and technology uses. Second, commercial space is further limited by outmoded buildings, high land costs, and, (with the current exception of the Legacy Crossing area) a general lack of interest in constructing for-rent or speculative office, industrial, and commercial space. Third, many of the creative people in Moscow do not have extensive business training. There is a need to establish networks among creative types and management types to launch innovative new businesses.

Expansion of existing businesses is generally the best, lowest cost, and lowest risk economic development strategy, and, along with generation of new businesses based on local talent and creativity, it is the core strategy of this plan. The removal of unnecessary regulatory barriers, combined with some catalytic activity, are the two key ingredients to realize more of the City’s existing economic potential. To promote expansion of existing businesses, the City and local economic development and civic groups should:

- Revise the land development regulations and proactively redraw the zoning map to provide opportunities for expansion of existing businesses.
- Improve the networks among creative people and managers, and train creative people in management techniques. The Chamber of Commerce, LEDC, and other groups should work together in this respect. A Service Corps of Retired Executives (SCORE) should be established.

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2 The strategy for resolving zoning challenges is set out in detail in Chapter 1, Local and Regional Economic Base Analysis, Section 1.6, Regulatory and Development Approval Environment.

3 Specific recommendations for revisions are set out in detail in Section 1.6, Regulatory and Development Approval Environment.
If necessary, the City, the URAs, the University of Idaho, and the LEDC (as appropriate to the type of investment), should invest in facilities to lower the cost of doing business – from additional incubator space to industrial park expansions to construction in and expansion of Alturas Technology Park. These investments should only be made if the gap between the cost of development and the ability of businesses to pay for the developed product requires such intervention.

5.0.4 | Growing New Business
Growing new businesses in Moscow is a function of either mixing creative people and management or providing business training; ensuring that there is adequate space available for the business to develop; and keeping the costs of business low. In terms of training and encouragement of entrepreneurial activity, the community should:

- Encourage business and economic development groups to offer free or low-cost practical training for people who are starting or considering starting new businesses. The LEDC should take a lead role in this respect, and a SCORE organization would be helpful as well.
- Encourage younger people to be entrepreneurial. This will enhance business generation and succession opportunities for local businesses. The School District should lead this effort. Junior Achievement is one organization that may be able to provide assistance.

In terms of creating space and lowering the cost of business, the City should, in sequential order, as it is able to do so:

- Update the official zoning map to include additional land for industrial, retail, and office development in locations that are consistent with the comprehensive plan;
- Monitor the cost of and demand for broadband access and invest in cost-effective technologies that will lower the price of access if private sector competition is unlikely to bring the investments;
- Work with the University of Idaho and LEDC to create more incubator space when such space is justified by market demand; and
- If the private sector does not deliver sufficient industrial space, work with the LEDC to proactively create an industrial park. This may require formation or expansion of an economic development entity, such as an urban renewal agency.
5.0.5 | Workforce Training and Recruiting

5.0.5.A | Generally
In general, Moscow has a well-educated and well-trained workforce. In 2007, Latah County had a low 2.4 percent unemployment rate. In 2006, the state reported that 10.3 percent of Latah County’s workers were “underemployed,” meaning that they either have a level of skill that is not commensurate with that needed for their job, or part-time work when the worker desires full-time work. The empirical data show that:

- There are many underemployed people who are a potential source of labor for industries that require high levels of skill.
- There are not large numbers of people who are actively looking for work.4

Based on the empirical data, the local economy should focus on providing opportunities for advancement, so that the underemployed can move to higher level jobs (or different jobs that are more suited for their skill sets), opening opportunities for others to enter into the labor force.

5.0.5.B | Training
Lewis and Clark State College, which provides technical training, is located in nearby Lewiston. In Moscow itself, vocational-technical and academic training is centered at the University of Idaho, the high school, Mr. Leon’s Cosmetology (cosmetology school), and an observation and internship program at Gritman Medical Center. See Figure 5.3, Training.

New Saint Andrews College (“NSA”) is also located in Moscow. It has no conventional “job training” programs. Instead, according to the college’s web site, “the College devotes singular attention to providing a deep and broad classical liberal arts education from a Trinitarian

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4 The unemployment rate measures the proportion of people who are not employed, but who are actively seeking employment. People who are not employed and not seeking employment are not counted as unemployed.
worldview that will prepare students for lives of faithful service in every sphere, every calling, every vocatio." NSA graduates have a reputation among some local businesses for high achievement, and many have stayed in the community, joining growing businesses that depend upon employees with solid analytical skills.

To ensure that the job training that is offered meets the needs of the local market, it is suggested that:

- UI, Lewis and Clark State College, and the Moscow School District (Moscow High School) should be encouraged to work with local economic development agencies and employers to calibrate programs to meet local needs.

- The Moscow School District should work with the LEDC, the Chamber of Commerce, and IdahoWorks (a collaboration of state and local workforce development organizations) to expand work study, summer job, and internship programs at the high school.

5.0.5.C | Recruiting and Retention
Moscow's labor market is relatively tight, that is, there are almost as many available jobs as there are available workers. The supply and demand sides of the labor market are also relatively stable. Still there is evidence that people are leaving Moscow to find work elsewhere.

The strategy with respect to recruiting and retention of labor is to:

- Take the steps that are outlined in this strategy plan to enhance the business climate and create more advanced jobs to be filled by the “underemployed,” creating better opportunities for economic security and career advancement; and

- Promote businesses that provide jobs that will meet the needs of Moscow’s high school and college graduates.

5.0.6 | Interjurisdictional Cooperation
Moscow already participates in a number of formal channels for interjurisdictional coordination, including the Palouse Knowledge Corridor; “Town and Gown” meetings with the University of Idaho; coordination among staff members of the University of Idaho and the City; the Palouse Basin Aquifer Committee; and the WhitCom regional E-911 service. These coordinating groups are essential to shaping the future of the City and the region, and Moscow should continue to be involved in their work at a high level.
5.1 | Marketing

5.1.1 | Generally

The marketing strategy is the combination of techniques to “get the word out” about the City, to build community pride, and promote business formation, expansion, recruitment, and retention. For Moscow, marketing should be more than just graphics and slogans. It must highlight the many strengths of the City without hyperbole. During the early stages of implementation of this plan, Moscow should show off its strengths primarily through person-to-person strategies, such as business networking and conferences, supplemented with low-cost mass communication such as e-newsletters.

Branding is the next step. For cities, branding is a focused effort at defining the city’s reputation and associating it with a consistent graphic theme that brings the brand to mind. In this sense, it is more than just a logo and a tag line. However, for the reasons stated below, the utility of a full-fledged branding effort during the early stages of implementation of this plan is questionable:

- A proper foundation must be established for a branding campaign for the brand to be effective and durable.
- It is the City’s consensus-based vision (based upon the comprehensive planning efforts and the public input into this strategic plan) that the economic future of Moscow that is not tied to the Universities will be largely based upon local startups and local business growth -- not on recruiting business from elsewhere.
- Moscow is incredibly diverse for its relatively small size. Of the 66 lifestyle segments identified by Claritas (a leading national market research company), 34 are present in Moscow. This diversity is central to the experience and character of the City, but will also likely make efforts to solidify a brand for marketing purposes more difficult.
- Moscow wants to be economically and fiscally sustainable, and therefore its reputation must be earned and authentic. If the objective is stable growth, the brand image must be rooted in the realistic, consensus-based directions of this plan, which should be well underway before City branding efforts are given significant attention.
- The Palouse Knowledge Corridor Initiative is working on branding the region, and valuable lessons, guidance, and, potentially, a regional brand identity context for Moscow, are likely to come from that effort.

In sum, unless they are backed by authenticity, slogans, logos, and media campaigns will not lead to the sort of sustainable economic growth that Moscow wants.
This plan outlines a path for the City to create a more business-friendly environment for the development and growth of local businesses, which should also make the City more attractive to businesses from elsewhere. It is not recommended that branding effort be launched in the near-term because it could detract from other efforts that are recommended by this strategic plan (see Table 5.1, Action Matrix at the end of this Chapter). However, branding could follow in the mid-term (three to five years from the date of this strategic plan), or at a time when the City deems such action appropriate.

5.1.2 | Evaluation of Existing Approach

5.1.2.A | Generally
This plan emphasizes that the City should focus on fundamental structural issues that could ultimately reinforce a brand at a later date. It is indeed noteworthy that Moscow’s authentic strengths are already gaining national attention:

- In the August/September 2008 issue of Mother Earth News, Moscow was listed as one of nine “Great Places You’ve Never Heard Of.”
- Outside Magazine rated the University of Idaho, Moscow, among the top 40 schools where “you can hit the books and the backcountry.”

Although the CNN/Money Magazine “Best Places to Live” rankings only include Cities with populations of 50,000 or more, Moscow compares favorably to 2008’s top 10 cities on indicators of quality of life, cost of living, education, weather, and health.

To build the reputation upon which later branding could be based, the Chamber of Commerce should take steps to underscore the City’s myriad of positive qualities on web sites that rate places to live, such as:

- SperlingsBestPlaces.com, which provides an overview and solicits comments from people who know the City <http://www.bestplaces.net/city/Moscow-Idaho.aspx>.
- WikiTravel, which is written and revised by the site’s users <http://wikitravel.org/en/Moscow_(Idaho)>.

The PKC should take similar steps with regard to the region. The Palouse Knowledge Corridor report in Washington CEO Magazine, produced in September 2008, should be made available in PDF format on the worldwide web, and all of the region’s local governments and economic development agencies should link to it.

5 The “mid-term” means a time when the priority action items of this plan are already well underway (e.g., the City has completed and adopted a comprehensive revision to the land development regulations, and economic development agencies have strengthened or initiated programs outlined in this plan) and beginning to deliver desired results.
In terms of the City’s graphic image, the City has a logo and a tag line, a generally well-designed web site, and a variety of marketing materials. As to these materials, small changes could be made to create a more integrated and polished graphic presentation for the City, without expending large amounts of time or money on design.

5.1.2.B Logo
A good logo will capture a positive identity of the community and convey that identity through good design (no too literal or and not too visually cluttered). Logos are used on correspondence, business cards, newsletters, and advertising, and also on public safety vehicles, signs, and other public facilities, and should be of a shape that supports these applications.

Moscow already has a good logo. See Figure 5.4, Existing Graphics. Moscow’s logo is visually attractive, timeless, and conveys several important themes without being overly complicated or too literal:

- The City is a small town (the balance of buildings, trees, and sky suggests a low-key, small town);
- The City has historic character (the number “1887” and the City’s signature building convey these themes); and
- The City is “green” (three trees, green color band, and clear sky convey these themes).

To strengthen its identity, the City should consider working with arts, civic, and economic development organizations to tie together logo elements without forcing uniformity of design. For example, the City could collaborate with these entities by sharing the font names and color descriptions from its logo, so that other organizations could choose to develop (or slightly modify) their logos to incorporate stylistically related fonts and compatible colors.
5.1.2.B | Tag Line
This plan does not recommend changing the City’s tag line, “Heart of the Arts,” at this time. The tag line is undoubtedly dear to many in the community, and Moscow is the “heart of the arts” of the Palouse region. However, as Moscow solidifies its brand (for example, as its industry clusters grow, and its business climate improves) the City should consider whether to revise the tag line.

The process of revisiting the tag line should take place every five years (to balance stability of the tag line with the need to keep it current⁶), in order to ensure that it continues to capture the identity of the community. In order to provide context for the discussion, this effort should be undertaken in conjunction with a visioning effort that is a precursor to comprehensive plan revisions, or in conjunction with an update to this economic development strategy plan.

When the City considers whether to revise the tag line, it should keep the following considerations in mind:

- Arts are very important in Moscow, but they are a subset of the City’s culture of creativity and innovation. As the City’s economy diversifies, a wider reach for the tag line may be appropriate.
- Moscow is a progressive City with a real sense of place. It is simultaneously blessed with 19th Century charm and 21st Century innovation. Moreover, Moscow is set in a remarkably beautiful natural environment.
- There are emerging industry clusters in Moscow that could be suggested in or supported by a tag line, helping to reinforce the image of Moscow as a place where innovation and enterprise come together.
- The PKC effort may have produced a tag line and branding perspective that could provide context for the development of a new tag line for the City.

5.1.2.C | Web Site
In general, Moscow’s web site is well presented, relatively intuitive, and informative. In order to improve the web site, and to better tie the web site into the economic development strategy, the following are recommended:

- The home page of the website should include a way to sign up for a periodic e-newsletter from the City (discussed in Section 5.1.3, Suggested Marketing Strategy, below).

⁶ It is not unusual for established brands to change their tag lines frequently in order to keep them “fresh.” For example, the Coca Cola company changed its slogan five times between 2000 and 2008 (“Coca-Cola. Enjoy”; “Life Tastes Good”; “Coca-Cola . . . Real”; “Make It Real”; and “The Coke Side of Life”). The recommendation to take a slower pace in terms of revisiting the tag line is based on the need
The “Business in Moscow” section of links is currently subordinate to “City Departments,” “Agendas,” “News and Events,” “Visiting Moscow,” and “Quick City Links.” “Business in Moscow” should be promoted in this hierarchy. Many Cities use “combo boxes” to compress the space taken up by City Departments and Agendas (i.e., select the department or board from among the drop-down list, and the browser is automatically directed to the relevant page).

Separate the news and the events in the “News and Events” column. See Figure 5.5, Web Site, middle column.

- News should be highlighted with “teaser” text that suggests the content. City, Chamber of Commerce, and LEDC news that relates to business development should be posted on the City’s home page. Stories that affect business should be framed that way (e.g., “How will the Zoning Code Update Affect Your Business?”).

- Events should be highlighted in two to three week periods, with a link to an event calendar for events that will occur later. Chamber of Commerce, LEDC, and CEDA events should be on the calendar.

The site is generally well-designed, but there are a few minor points that would upgrade its appearance and usability:

- The clock tower should appear on the home page because it ties into the City’s logo.

- The text content should fit squarely under the navigation bar (the buttons labeled “mayor” to “help” at the top of the screen). At present, the text portion of the home page is wider than the navigation bar.

The City’s web site is generally well designed, but a few enhancements could make it more user-friendly -- and business friendly.

FIGURE 5.5 | Web Site
Source: City of Moscow
The existing “search” button is difficult to read, and the “search” input box should be integrated into the home page. See Figure 5.5, Web Site, top right.

The text with the drop-shadow is difficult to read. Alternative ways of emphasizing text, such as color changes, should be used instead. See Figure 5.5, Web Site, middle right.

The leading (distance between lines of text) is inconsistent, and should be harmonized.

5.1.3 | Suggested Marketing Strategy

5.1.3.A | Generally
The tight labor market in Moscow, and the incremental development strategy recommended by this plan (regulatory revisions, improved networking among business, civic, governmental, and educational organizations, and targeted investments that lower the cost of doing business) suggest that marketing should be relatively low-key, and primarily word-of-mouth in nature. Moscow’s residents and business leaders should be encouraged to spread the word about Moscow’s exceptional quality of life and improving business climate.

In terms of initial “targets” for the community’s message, the community should:

- Focus on right-sized business. As discussed in Section 5.0.2., Attracting Business, the community should focus on businesses that are relatively small in size, with potential to grow in Moscow. Such businesses are better suited than their larger counterparts to grow in Moscow’s tight labor market.

- Continue to promote arts and culture tourism (see Figure 5.6, Public Art), through the Chamber of Commerce and Moscow Arts Commission. Tourism brings business to the community directly, and by highlighting the community’s quality of life, may attract permanent residents to the City to participate in the City’s economy.

- Stay in touch with its college and university graduates through opt-in e-newsletters, and by collaborating with UI and New Saint Andrews College on their alumni outreach efforts. This relatively low cost effort will support the retail development strategy, and could also encourage some of the graduates to either stay in or move back to Moscow.
5.1.3.B | Word-of-Mouth

Even with advanced technology and a virtually infinite number of media outlets, word-of-mouth is the best advertising. Word-of-mouth advertising works best when people’s expectations are exceeded. Consequently, the first pillar of the marketing strategy is to implement the other strategic recommendations of this plan.

To this end, the City should encourage the LEDC, the Chamber of Commerce, the University of Idaho, the Palouse Knowledge Corridor group, and CEDA to organize and sponsor conferences of trade groups and professional organizations that involve Moscow’s industry clusters. Such conferences will bring related industry leaders to Moscow to network with local business owners who are excited about the community, and to experience the City’s many amenities first-hand. The Chamber of Commerce or LEDC should supplement this first-hand experience with a presence at conferences (e.g., program/agenda advertising, booths, literature, posters, etc.) that highlights the advantages of doing business in Moscow.

Ideally, conferences would be organized to coincide with local cultural and arts events (to highlight the quality of life and culture in the City). However, organizers should verify that there is sufficient lodging available to accommodate all of the projected visitors.

5.1.3.C | Regional and Industry Cluster Awareness

The City and the Chamber of Commerce should focus their marketing efforts on promoting and enhancing Moscow’s position in the region. The City should highlight its small-town atmosphere, natural amenities, clean air, good schools, cultural opportunities, diversity, security, and educated workforce to an audience in Spokane and the Cascadia megaregion. The City should consider placing ads at airports and in local business journals (as PKC did in September 2008 with its sponsored report in Washington CEO magazine) that highlight the quality of life, natural beauty, and economic opportunity in Moscow and the Palouse region. The City should also encourage the local economic development entities to place ads in, and submit press releases to, targeted trade and professional magazines about Moscow’s successful and growing industry clusters.

5.1.3.D | Internal Marketing

One key target audience is the people and businesses who are already invested (either financially or emotionally) in the community. They are the people who represent Moscow on a daily basis in their business and personal interactions -- regionally, nationally, and internationally. An internal marketing campaign should be undertaken to generate and promote a positive image of Moscow. Making sure that current residents and local business leaders have a positive image of the com-

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7 Moscow has three hotels with 209 total rooms: a Best Western (173 rooms), a La Quinta Inn (76 rooms); and a Super 8 (60 rooms). In nearby Pullman, there are three more hotels with a total of 255 rooms.
Community is critical to the success of any external campaign or “branding” effort that may come in the future, as these are the people who can best tell the Moscow’s story to the rest of the world.

5.1.3.E | E-Newsletters and Annual Reports
To enhance its internal marketing, and to reach out to university alumni and others who opt-in to receive news about Moscow or visit the City’s web site, the City should publish a bi-monthly e-newsletter that is available on the City’s website and sent by e-mail to a subscriber group (the list should be built by web site opt-in and efforts by the local economic development agencies). The e-newsletter should advertise City events; highlight businesses and people who are bringing innovation, jobs, and recognition to the City; describe the functions and accomplishments of various City departments; announce business-oriented events and training (in conjunction with the Chamber of Commerce, LEDC, the University of Idaho, and others); and list employment and internship opportunities at local businesses (e.g., in March or April, the e-newsletter could highlight summer employment opportunities for high school and college students). Information resources may include Kathryn Tacke’s Department of Labor’s news report and news stories posted on the Department of Labor and Industry’s web site. The e-newsletter format allows tracking of who is getting, and who is opening, the message, which will allow the City to refine its marketing efforts over time.

The City should also publish an annual report, both electronically and in print, that includes the mayor’s State of the City address and highlights of the City’s development over the past year.

5.1.3.F | Retail Marketing
If Moscow is to become “the place to be” for specialty retail, it should have a strategy for promoting itself in that capacity. The City should encourage the Chamber of Commerce to build a retail marketing strategy with the following components:

- A retail programming strategy for downtown and the Legacy Crossing district, which identifies new specialty boutiques and niche retailers that should be included in the area.
- Development of an information packet for commercial realtors and potential retailers and restaurateurs, which would include an inventory of sites, buildings, and bays for sale or lease.
- On-going business workshops and seminars for existing retailers, restaurants, and entertainment venues to communicate a common interest in their continued growth and success.
- Retail opportunity workshops for those entrepreneurial-minded persons interested in opening a retail business.
• Expansion and promotion of existing festivals as a means for increasing the duration of visitors’ stay (and their local spending).

• At least one night per week, retailers, restaurants, and entertainment venues should stay open late, and a variety of entertainment should be programmed for Friendship Square.

• Assistance for bricks-and-mortar business owners who want to take their businesses on-line (or enhance their existing on-line presence); and to help home-based businesses that ship products using parcel services to network and learn about ways to increase their access to markets.

5.2 | Action Plan

5.0.1 | Generally

The action plan begins with the “least regret” scenario described in Chapter 4, Constraints, Opportunities, and Alternatives, and as conditions demand, progresses through the “risk tolerant” scenario.

The “least regret” scenario is the scenario that, in the worst case, involves the least opportunity for regret. It is not necessarily the “least cost” or “least risk” scenario. For example, new land development regulations will likely cost between $100,000 and $200,000. It is possible that, without more, new regulations might not be sufficient to catalyze substantial additional development. However, adopting new land development regulations presents a foundation upon which further actions can be taken. They will also provide a durable regulatory framework for incremental growth, and improve the business climate, without imposing significant opportunity costs. Moreover, the process of a zoning code update brings the community together in consensus building exercises.

The “risk tolerant” scenarios are those that should be explored when the City increases its capacity to deal with risk. “Risk tolerant” scenarios are those that accept larger downside risks if the actions do not succeed. For example, expanding Alturas is a “risk tolerant” scenario, because in the “worst case,” the costs will not easily be recovered, the effort will not have laid a foundation for other actions, and a failed investment of this magnitude could create high levels of political division in the community. That is why great care to minimize downside risk, combined with broad community consensus about taking the risk, are very important precursors to taking “risk tolerant” actions.

With the continuum of “least regret” to “risk tolerant” in mind, significant investments in the action plan are intended to be either:
Timed such that the need for the investment is justified by the previous, less aggressive, step laying a solid foundation for the next step, but not reaching the desired economic development result; or

Market responsive, in that they are tied to committed private investment that reduces risk and opportunity for “regret” to levels that the community can support.

5.2.2 | Action Matrix

The action matrix provides a generalized implementation program in terms of the suggested timing of the various implementation steps. Timing is divided into three categories: short-term (0 to 2 years); mid-term (2 to 5 years); and long-term (5+ years). This plan should be evaluated every five years, on average, to measure progress and to recalibrate the priorities in Table 5.1, Action Matrix, to keep them current and indicate completed items.

<table>
<thead>
<tr>
<th>Table 5.1</th>
<th>Action Matrix</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Action</strong></td>
<td><strong>Responsible Parties</strong></td>
</tr>
<tr>
<td>Begin monthly e-newsletter</td>
<td>City of Moscow</td>
</tr>
<tr>
<td>Update web site; begin periodic publication of e-newsletter; publish annual report</td>
<td>City of Moscow</td>
</tr>
<tr>
<td>Update travel and information sites</td>
<td>Chamber of Commerce; PKC</td>
</tr>
<tr>
<td>Continue to work with Palouse Knowledge Corridor</td>
<td>UI, WSU, City of Moscow, City of Pullman, Latah County, Whitman County, LEDC, PEDC</td>
</tr>
<tr>
<td>Form lobbying team, or coordinate lobbying strategy, with UI and Latah County (for State legislative issues)</td>
<td>City of Moscow; UI; Latah County; Chamber of Commerce</td>
</tr>
<tr>
<td>Develop targeted programs for educating potential entrepreneurs</td>
<td>LEDC</td>
</tr>
<tr>
<td>Develop targeted programs for educating existing small business owners</td>
<td>LEDC</td>
</tr>
<tr>
<td>Establish Junior Achievement or comparable entity in Moscow</td>
<td>Chamber of Commerce; Moscow School District</td>
</tr>
</tbody>
</table>
### Table 5.1

<table>
<thead>
<tr>
<th>Action</th>
<th>Responsible Parties</th>
<th>Staffing Requirements</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop programs to introduce people with ideas to people with business experience</td>
<td>BTI, LEDC, UI, PKC, or Chamber of Commerce</td>
<td>Coordinator and at least one volunteer</td>
<td>Short-term</td>
</tr>
<tr>
<td>Adopt updated land development regulations and zoning map</td>
<td>City Council</td>
<td>Planning Department and City Supervisor</td>
<td>Short-term</td>
</tr>
<tr>
<td>Work with landowners around Alturas to ensure future expansion potential onto adjacent land</td>
<td>City Council; City Supervisor; Landowner(s); URA</td>
<td>Planning Department and City Supervisor</td>
<td>Short-term</td>
</tr>
<tr>
<td>Develop a retail programming strategy for Downtown</td>
<td>Chamber of Commerce</td>
<td>Consultant</td>
<td>Short-term</td>
</tr>
<tr>
<td>Organize conferences</td>
<td>UI; Chamber of Commerce</td>
<td>Coordinator and one or more volunteers</td>
<td>Begin planning within Short-term, conference dates in mid-term</td>
</tr>
<tr>
<td>Advertise Moscow regionally; place ads in professional journals and trade magazines</td>
<td>Chamber of Commerce; LEDC; URA; and City</td>
<td>Timed with advertising of conference dates</td>
<td>Begin advertising with conference announcement</td>
</tr>
<tr>
<td>Invest in (and lobby for) projects that lower cost of broadband access</td>
<td>City; UI; LEDC</td>
<td>Coordinator, lobbying team, possibly IT staff</td>
<td>Mid-term to long-term; upon committed private investment</td>
</tr>
<tr>
<td>Develop an industrial park; improve Palouse River Drive; Extend fiber optic lines</td>
<td>City Council forms state-authorized development entity; URA</td>
<td>Development entity</td>
<td>Initiate project in long-term if the market has not initiated a comparable project, and if the product can be priced appropriately to achieve necessary occupancy</td>
</tr>
<tr>
<td>Expand or construct a new Business Technology Incubator</td>
<td>City, UI, LEDC</td>
<td>Mayor, Council, City Supervisor, and various City departments and UI physical plant during site selection and construction; UI and LEDC for operations</td>
<td>Initiate project in long-term if the market has not initiated a comparable project, and if the product can be priced appropriately to achieve necessary occupancy</td>
</tr>
<tr>
<td>Expand Alturas</td>
<td>Alturas URA</td>
<td>Executive Director</td>
<td>Initiate project when demand for research and technology buildings is sufficient to support the effort</td>
</tr>
<tr>
<td>Develop a project to expand regional water supply</td>
<td>All members of Palouse Basin Aquifer Committee (including City and Latah County); State of Idaho; Federal Government</td>
<td>Extensive research, engineering, legal, and technical assistance will be required</td>
<td>To be timed as needed, based upon best available predictions of regional water supply and demand in a changed climate</td>
</tr>
</tbody>
</table>
A.0 | Regional Context

Moscow is a small college town of 22,352 people. The City is located in the Idaho panhandle, adjacent to the Washington state line. See Figure A.1, Moscow’s Market Area. It is a destination that is located off the beaten path – the drive to the nearest Interstate Highway (I-90, to the north) is more than 80 miles.

UI’s academic strength and affordability earned it a place on the 2008 list of Kiplinger’s 100 Best Values in Public Colleges. UI Vandals sports are NCAA Division I, Western Athletic Conference.

Nine miles across the state line is Pullman, Washington. Pullman is home to Washington State University (“WSU”). WSU has 18,432 enrolled students from 81 countries.

Just over 20 miles South of Moscow are Lewiston, Idaho and Clarkston, Washington. Spokane, Coeur d’Alene, and Walla Walla are more than 50 miles away.

A.1 | Major Industrial Sectors

Table A.1, Employment and Locational Advantages by Industry Sector, shows the number of jobs in 2008, the number of jobs projected for 2018 based on existing trends, the average earnings per worker (a measure of productivity, not wages), the 2008 location quotient, the 2018 location quotient, and the three factors of shift-share analysis: regional competitiveness effect, industrial mix effect, and national effect. Location quotient and shift share analysis are discussed in more detail in Chapter 3, Industrial Sector Report.

Government (NAICS Code 90) is by far the largest single sector in terms of employment, with 6,675 jobs in 2008 and a projected 7,865 jobs in 2018. Government includes the University of Idaho, the City, the County, and the Moscow School District. Second in terms of employment is retail trade (NAICS Code 44 and 45), with 2,488 jobs in 2008 and a projected 2,928 jobs in 2018. Third is accommodation and food services, which had 1,945 jobs in 2008 and 2,546 projected jobs in 2018.

1 U.S. Census Bureau, 2006 Estimate.
Utilities (NAICS Code 22) had fewer than 10 jobs in 2008, and therefore no projection data were available.

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<thead>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Moscow and Surrounding Areas (83843 and 83844)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture, Forestry, Fishing, and Hunting (11)</td>
<td>282</td>
<td>289</td>
<td>$21,400</td>
<td>0.71</td>
<td>0.71</td>
<td>9 -39 38</td>
</tr>
<tr>
<td>Mining (21)</td>
<td>53</td>
<td>67</td>
<td>$29,871</td>
<td>0.53</td>
<td>0.55</td>
<td>5 2 7</td>
</tr>
<tr>
<td>Utilities (22)</td>
<td>&lt;10</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Construction (23)</td>
<td>839</td>
<td>1,019</td>
<td>$33,068</td>
<td>0.68</td>
<td>0.70</td>
<td>65 2 113</td>
</tr>
<tr>
<td>Manufacturing (31-33)</td>
<td>259</td>
<td>309</td>
<td>$34,436</td>
<td>0.17</td>
<td>0.19</td>
<td>39 -24 35</td>
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<tr>
<td>Wholesale Trade (42)</td>
<td>125</td>
<td>148</td>
<td>$36,246</td>
<td>0.18</td>
<td>0.19</td>
<td>11 -5 17</td>
</tr>
<tr>
<td>Retail Trade (44-45)</td>
<td>2,486</td>
<td>2,928</td>
<td>$20,824</td>
<td>1.25</td>
<td>1.28</td>
<td>170 -64 334</td>
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<tr>
<td>Transportation and Warehousing (48-49)</td>
<td>138</td>
<td>143</td>
<td>$37,771</td>
<td>0.20</td>
<td>0.18</td>
<td>-12 -2 19</td>
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<td>Information (51)</td>
<td>333</td>
<td>328</td>
<td>$31,987</td>
<td>0.87</td>
<td>0.73</td>
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<td>Finance and Insurance (52)</td>
<td>460</td>
<td>531</td>
<td>$32,036</td>
<td>0.50</td>
<td>0.49</td>
<td>7 2 62</td>
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<tr>
<td>Real Estate and Rental and Leasing (53)</td>
<td>626</td>
<td>768</td>
<td>$27,258</td>
<td>0.74</td>
<td>0.68</td>
<td>-41 100 84</td>
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<tr>
<td>Professional and Technical Services (54)</td>
<td>943</td>
<td>947</td>
<td>$35,416</td>
<td>0.74</td>
<td>0.62</td>
<td>-142 19 127</td>
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<td>Management of Companies and Enterprises (55)</td>
<td>42</td>
<td>72</td>
<td>$25,474</td>
<td>0.21</td>
<td>0.30</td>
<td>24 0 6</td>
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<tr>
<td>Administrative and Waste Services (56)</td>
<td>369</td>
<td>420</td>
<td>$15,514</td>
<td>0.31</td>
<td>0.28</td>
<td>-38 39 50</td>
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<tr>
<td>Educational Services (61)</td>
<td>404</td>
<td>523</td>
<td>$6,960</td>
<td>0.99</td>
<td>1.08</td>
<td>58 7 54</td>
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<tr>
<td>Health Care and Social Assistance (62)</td>
<td>1,718</td>
<td>1,985</td>
<td>$29,616</td>
<td>0.91</td>
<td>0.85</td>
<td>-68 104 231</td>
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<tr>
<td>Arts, Entertainment, and Recreation (71)</td>
<td>382</td>
<td>512</td>
<td>$4,950</td>
<td>0.99</td>
<td>1.08</td>
<td>58 21 51</td>
</tr>
<tr>
<td>Accommodation and Food Services (72)</td>
<td>1,945</td>
<td>2,546</td>
<td>$11,586</td>
<td>1.52</td>
<td>1.66</td>
<td>300 41 261</td>
</tr>
<tr>
<td>Other Services, Except Public Administration (81)</td>
<td>852</td>
<td>975</td>
<td>$14,947</td>
<td>0.89</td>
<td>0.91</td>
<td>54 -46 115</td>
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<tr>
<td>Government (90)</td>
<td>6,675</td>
<td>7,695</td>
<td>$39,023</td>
<td>2.65</td>
<td>2.73</td>
<td>466 -343 897</td>
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<tr>
<td><strong>Latah and Whitman Counties</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture, Forestry, Fishing, and Hunting (11)</td>
<td>3,046</td>
<td>3,105</td>
<td>$21,172</td>
<td>3.15</td>
<td>3.21</td>
<td>66 -417 409</td>
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<tr>
<td>Mining (21)</td>
<td>90</td>
<td>119</td>
<td>$27,350</td>
<td>0.37</td>
<td>0.42</td>
<td>13 4 12</td>
</tr>
<tr>
<td>Utilities (22)</td>
<td>88</td>
<td>43</td>
<td>$107,871</td>
<td>0.47</td>
<td>0.28</td>
<td>-27 -7 9</td>
</tr>
<tr>
<td>Construction (23)</td>
<td>2,044</td>
<td>2,507</td>
<td>$35,623</td>
<td>0.67</td>
<td>0.72</td>
<td>184 5 275</td>
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<tr>
<td>Manufacturing (31-33)</td>
<td>1,926</td>
<td>2,373</td>
<td>$55,790</td>
<td>0.52</td>
<td>0.61</td>
<td>366 -177 259</td>
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<tr>
<td>Wholesale Trade (42)</td>
<td>979</td>
<td>1,152</td>
<td>$38,889</td>
<td>0.58</td>
<td>0.62</td>
<td>80 -39 132</td>
</tr>
<tr>
<td>Retail Trade (44-45)</td>
<td>4,498</td>
<td>5,169</td>
<td>$20,366</td>
<td>0.92</td>
<td>0.95</td>
<td>182 -116 605</td>
</tr>
</tbody>
</table>
### Table A.1

#### Employment and Locational Advantages by Industry Sector

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Regional</td>
</tr>
<tr>
<td>Transportation and Warehousing (48-49)</td>
<td>751</td>
<td>738</td>
<td>$38,110</td>
<td>0.44</td>
<td>0.38</td>
<td>-104</td>
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<tr>
<td>Information (51)</td>
<td>584</td>
<td>589</td>
<td>$28,893</td>
<td>0.63</td>
<td>0.55</td>
<td>-107</td>
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<tr>
<td>Finance and Insurance (52)</td>
<td>938</td>
<td>989</td>
<td>$33,907</td>
<td>0.42</td>
<td>0.39</td>
<td>-107</td>
</tr>
<tr>
<td>Real Estate and Rental and Leasing (53)</td>
<td>1,580</td>
<td>2,010</td>
<td>$26,034</td>
<td>0.77</td>
<td>0.75</td>
<td>-34</td>
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<tr>
<td>Professional and Technical Services (54)</td>
<td>2,181</td>
<td>2,327</td>
<td>$27,575</td>
<td>0.70</td>
<td>0.64</td>
<td>-111</td>
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<tr>
<td>Management of Companies and Enterprises (55)</td>
<td>107</td>
<td>174</td>
<td>$16,091</td>
<td>0.22</td>
<td>0.30</td>
<td>51</td>
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<tr>
<td>Administrative and Waste Services (56)</td>
<td>678</td>
<td>763</td>
<td>$14,752</td>
<td>0.24</td>
<td>0.21</td>
<td>-107</td>
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<tr>
<td>Educational Services (61)</td>
<td>3,287</td>
<td>3,421</td>
<td>$30,610</td>
<td>0.71</td>
<td>0.69</td>
<td>-107</td>
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<tr>
<td>Health Care and Social Assistance (62)</td>
<td>1,580</td>
<td>2,010</td>
<td>$45,625</td>
<td>2.75</td>
<td>2.80</td>
<td>470</td>
</tr>
<tr>
<td>Arts, Entertainment, and Recreation (71)</td>
<td>696</td>
<td>906</td>
<td>$7,400</td>
<td>0.74</td>
<td>0.80</td>
<td>78</td>
</tr>
<tr>
<td>Accommodation and Food Services (72)</td>
<td>3,542</td>
<td>4,417</td>
<td>$11,528</td>
<td>1.13</td>
<td>1.21</td>
<td>325</td>
</tr>
<tr>
<td>Other Services, Except Public Administration (81)</td>
<td>1,784</td>
<td>1,992</td>
<td>$14,118</td>
<td>0.76</td>
<td>0.78</td>
<td>64</td>
</tr>
<tr>
<td>Government (90)</td>
<td>16,907</td>
<td>18,780</td>
<td>$45,625</td>
<td>2.75</td>
<td>2.80</td>
<td>470</td>
</tr>
</tbody>
</table>

* Zip Codes 83843 and 83844, which include Moscow and some of the surrounding area.

### A.2 | Retail Supply and Demand

Retail supply and demand data in the City of Moscow for the year 2007 are set out in **Table A.2, City of Moscow RMP Opportunity Gap – Retail Stores 2007**. The table shows the classification of the retailers by NAICS code, the demand (the number of dollars that Moscow’s consumers spent in 2007), the supply (the sales by Moscow retailers in 2007), and the gap or surplus (the demand minus the supply). The major retail classifications (3-digit NAICS Codes) are highlighted with red-orange, and the four or more digit NAICS Codes under them are included in the totals for the higher (3-digit) classification.
## Table A.2
City of Moscow RMP Opportunity Gap – Retail Stores 2007

<table>
<thead>
<tr>
<th>Retail Classification (NAICS 3-digit, 4-digit, 5-digit, or 6-digit Code)</th>
<th>Demand (Consumer Expenditures)</th>
<th>Supply (Retail Sales)</th>
<th>Opportunity Gap/ Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Retail Sales, Inc. Eating and Drinking Places</td>
<td>$310,346,107</td>
<td>$305,531,769</td>
<td>$4,814,338</td>
</tr>
<tr>
<td>Motor Vehicle and Parts Dealers (441)</td>
<td>$65,309,420</td>
<td>$30,252,402</td>
<td>$35,057,018</td>
</tr>
<tr>
<td>Automotive Dealers (4411)</td>
<td>$56,448,724</td>
<td>$25,621,114</td>
<td>$30,827,610</td>
</tr>
<tr>
<td>Other Motor Vehicle Dealers (4412)</td>
<td>$3,735,103</td>
<td>$425,500</td>
<td>$3,309,603</td>
</tr>
<tr>
<td>Automotive Parts/Accessories, Tire Stores (4413)</td>
<td>$5,125,593</td>
<td>$4,205,788</td>
<td>$919,805</td>
</tr>
<tr>
<td>Furniture and Home Furnishings Stores (442)</td>
<td>$6,914,176</td>
<td>$6,960,215</td>
<td>($46,039)</td>
</tr>
<tr>
<td>Furniture Stores (4421)</td>
<td>$3,695,328</td>
<td>$3,871,100</td>
<td>($175,772)</td>
</tr>
<tr>
<td>Home Furnishing Stores (4422)</td>
<td>$3,218,848</td>
<td>$3,089,115</td>
<td>$129,733</td>
</tr>
<tr>
<td>Electronics and Appliance Stores (443)</td>
<td>$8,380,736</td>
<td>$10,220,310</td>
<td>($1,839,574)</td>
</tr>
<tr>
<td>Appliances, TVs, Electronics Stores (44311)</td>
<td>$6,330,578</td>
<td>$8,616,924</td>
<td>($2,286,346)</td>
</tr>
<tr>
<td>Household Appliances Stores (443111)</td>
<td>$1,162,793</td>
<td>$3,872,999</td>
<td>($2,710,206)</td>
</tr>
<tr>
<td>Computer and Software Stores (44312)</td>
<td>$5,167,785</td>
<td>$3,972,999</td>
<td>$1,194,786</td>
</tr>
<tr>
<td>Camera and Photographic Equipment Stores (44313)</td>
<td>$285,408</td>
<td>$662,435</td>
<td>($377,027)</td>
</tr>
<tr>
<td>Building Material, Garden Equip Stores (444)</td>
<td>$27,051,897</td>
<td>$15,153,515</td>
<td>$11,898,382</td>
</tr>
<tr>
<td>Building Material and Supply Dealers (4441)</td>
<td>$24,584,020</td>
<td>$14,212,743</td>
<td>$10,371,277</td>
</tr>
<tr>
<td>Home Centers (44411)</td>
<td>$9,499,204</td>
<td>$4,129,764</td>
<td>$5,369,440</td>
</tr>
<tr>
<td>Paint and Wallpaper Stores (44412)</td>
<td>$626,161</td>
<td>$354,219</td>
<td>$271,942</td>
</tr>
<tr>
<td>Hardware Stores (44413)</td>
<td>$2,156,922</td>
<td>$515,000</td>
<td>$1,641,922</td>
</tr>
<tr>
<td>Other Building Materials Dealers (44419)</td>
<td>$12,301,733</td>
<td>$9,213,760</td>
<td>$3,087,973</td>
</tr>
<tr>
<td>Building Materials, Lumberyards (444191)</td>
<td>$4,119,465</td>
<td>$3,141,993</td>
<td>$977,472</td>
</tr>
<tr>
<td>Lawn, Garden Equipment, Supplies Stores (4442)</td>
<td>$2,467,877</td>
<td>$940,772</td>
<td>$1,527,105</td>
</tr>
<tr>
<td>Outdoor Power Equipment Stores (44421)</td>
<td>$371,317</td>
<td>$262,775</td>
<td>$108,542</td>
</tr>
<tr>
<td>Nursery and Garden Centers (44422)</td>
<td>$2,096,560</td>
<td>$577,997</td>
<td>$1,518,563</td>
</tr>
<tr>
<td>Food and Beverage Stores (445)</td>
<td>$35,614,870</td>
<td>$81,443,524</td>
<td>($45,828,654)</td>
</tr>
<tr>
<td>Grocery Stores (4451)</td>
<td>$31,677,322</td>
<td>$81,189,482</td>
<td>($49,512,160)</td>
</tr>
<tr>
<td>Supermarkets, Grocery (Excluding Convenience) Stores (44511)</td>
<td>$30,018,760</td>
<td>$80,132,051</td>
<td>($50,113,291)</td>
</tr>
</tbody>
</table>
### Table A.2
City of Moscow RMP Opportunity Gap – Retail Stores 2007

<table>
<thead>
<tr>
<th>Retail Classification (NAICS 3-digit, 4-digit, 5-digit, or 6-digit Code)</th>
<th>Demand (Consumer Expenditures)</th>
<th>Supply (Retail Sales)</th>
<th>Opportunity Gap/Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience Stores (44512)</td>
<td>$1,658,562</td>
<td>$1,057,431</td>
<td>$601,131</td>
</tr>
<tr>
<td>Specialty Food Stores (4452)</td>
<td>$1,058,140</td>
<td>$74,575</td>
<td>$983,565</td>
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<tr>
<td>Beer, Wine and Liquor Stores (4453)</td>
<td>$2,879,408</td>
<td>$179,457</td>
<td>$2,699,941</td>
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<tr>
<td>Health and Personal Care Stores (446)</td>
<td>$12,037,088</td>
<td>$8,635,938</td>
<td>$3,401,150</td>
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<tr>
<td>Pharmacies and Drug Stores (4461)</td>
<td>$10,399,609</td>
<td>$4,740,239</td>
<td>$5,659,370</td>
</tr>
<tr>
<td>Cosmetics, Beauty Supplies, Perfume Stores (44612)</td>
<td>$411,032</td>
<td>$586,206</td>
<td>($175,174)</td>
</tr>
<tr>
<td>Optical Goods Stores (44613)</td>
<td>$458,450</td>
<td>$222,998</td>
<td>$235,452</td>
</tr>
<tr>
<td>Other Health and Personal Care Stores (44619)</td>
<td>$767,997</td>
<td>$3,086,495</td>
<td>($2,318,498)</td>
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<tr>
<td>Gasoline Stations (447)</td>
<td>$32,203,140</td>
<td>$37,524,348</td>
<td>($5,321,208)</td>
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<tr>
<td>Gasoline Stations With Convenience Stores (44711)</td>
<td>$24,258,928</td>
<td>$28,076,552</td>
<td>($3,817,624)</td>
</tr>
<tr>
<td>Other Gasoline Stations (44719)</td>
<td>$7,944,212</td>
<td>$9,447,796</td>
<td>($1,503,584)</td>
</tr>
<tr>
<td>Clothing and Clothing Accessories Stores (448)</td>
<td>$15,921,246</td>
<td>$8,267,478</td>
<td>$7,653,768</td>
</tr>
<tr>
<td>Clothing Stores (4481)</td>
<td>$11,867,934</td>
<td>$6,179,554</td>
<td>$5,688,380</td>
</tr>
<tr>
<td>Men’s Clothing Stores (44811)</td>
<td>$738,439</td>
<td>$109,006</td>
<td>$629,433</td>
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<tr>
<td>Women’s Clothing Stores (44812)</td>
<td>$3,352,979</td>
<td>$381,088</td>
<td>$2,971,891</td>
</tr>
<tr>
<td>Children’s, Infants’ Clothing Stores (44813)</td>
<td>$445,109</td>
<td>$0</td>
<td>$445,109</td>
</tr>
<tr>
<td>Family Clothing Stores (44814)</td>
<td>$6,231,181</td>
<td>$5,435,462</td>
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<tr>
<td>Clothing Accessories Stores (44815)</td>
<td>$251,990</td>
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<td>$251,990</td>
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<tr>
<td>Other Clothing Stores (44819)</td>
<td>$848,236</td>
<td>$253,998</td>
<td>$594,238</td>
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<td>Shoe Stores (4482)</td>
<td>$2,343,487</td>
<td>$1,290,566</td>
<td>$1,052,921</td>
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<tr>
<td>Jewelry, Luggage, Leather Goods Stores (4483)</td>
<td>$1,709,825</td>
<td>$797,358</td>
<td>$912,467</td>
</tr>
<tr>
<td>Jewelry Stores (44831)</td>
<td>$1,561,080</td>
<td>$797,358</td>
<td>$763,722</td>
</tr>
<tr>
<td>Luggage and Leather Goods Stores (44832)</td>
<td>$148,745</td>
<td>$0</td>
<td>$148,745</td>
</tr>
<tr>
<td>Sporting Goods, Hobby, Book, Music Stores (451)</td>
<td>$8,926,727</td>
<td>$15,220,958</td>
<td>($6,294,231)</td>
</tr>
<tr>
<td>Sporting Goods, Hobby, Musical Inst Stores (4511)</td>
<td>$4,424,960</td>
<td>$11,635,611</td>
<td>($7,210,651)</td>
</tr>
<tr>
<td>Sporting Goods Stores (45111)</td>
<td>$2,379,680</td>
<td>$7,483,827</td>
<td>($5,104,147)</td>
</tr>
<tr>
<td>Hobby, Toys and Games Stores (45112)</td>
<td>$1,165,110</td>
<td>$1,700,680</td>
<td>($535,570)</td>
</tr>
<tr>
<td>Retail Classification (NAICS 3-digit, 4-digit, 5-digit, or 6-digit Code)</td>
<td>Demand (Consumer Expenditures)</td>
<td>Supply (Retail Sales)</td>
<td>Opportunity Gap/Surplus</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>-------------------------------</td>
<td>----------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Sew/Needlework/Piece Goods Stores (45113)</td>
<td>$335,557</td>
<td>$1,944,102</td>
<td>($1,608,545)</td>
</tr>
<tr>
<td>Musical Instrument and Supplies Stores (45114)</td>
<td>$544,613</td>
<td>$507,002</td>
<td>$37,611</td>
</tr>
<tr>
<td>Book, Periodical and Music Stores (45112)</td>
<td>$4,501,767</td>
<td>$3,585,347</td>
<td>$916,420</td>
</tr>
<tr>
<td>Book Stores and News Dealers (45121)</td>
<td>$3,509,573</td>
<td>$973,739</td>
<td>$2,535,834</td>
</tr>
<tr>
<td>Book Stores (451211)</td>
<td>$3,426,905</td>
<td>$973,739</td>
<td>$2,453,166</td>
</tr>
<tr>
<td>News Dealers and Newsstands (451212)</td>
<td>$82,668</td>
<td>$0</td>
<td>$82,668</td>
</tr>
<tr>
<td>Pre-recorded Tapes, CDs, Record Stores (45122)</td>
<td>$992,194</td>
<td>$2,611,608</td>
<td>($1,619,414)</td>
</tr>
<tr>
<td>General Merchandise Stores (452)</td>
<td>$37,235,600</td>
<td>$39,580,198</td>
<td>($2,344,598)</td>
</tr>
<tr>
<td>Department Stores Excl Leased Depts (4521)</td>
<td>$17,498,341</td>
<td>$15,707,850</td>
<td>$1,790,491</td>
</tr>
<tr>
<td>Other General Merchandise Stores (4529)</td>
<td>$19,737,259</td>
<td>$23,872,348</td>
<td>($4,135,089)</td>
</tr>
<tr>
<td>Warehouse Clubs and Super Stores (45291)</td>
<td>$17,057,461</td>
<td>$22,963,501</td>
<td>($5,806,040)</td>
</tr>
<tr>
<td>All Other General Merchandise Stores (45299)</td>
<td>$2,679,798</td>
<td>$1,208,847</td>
<td>$1,470,951</td>
</tr>
<tr>
<td>Miscellaneous Store Retailers (453)</td>
<td>$16,488,433</td>
<td>$10,943,757</td>
<td>($5,544,676)</td>
</tr>
<tr>
<td>Florists (4531)</td>
<td>$524,001</td>
<td>$590,401</td>
<td>($66,400)</td>
</tr>
<tr>
<td>Office Supplies, Stationery, Gift Stores (4532)</td>
<td>$3,491,987</td>
<td>$7,181,899</td>
<td>($3,690,912)</td>
</tr>
<tr>
<td>Office Supplies and Stationery Stores (45321)</td>
<td>$1,987,901</td>
<td>$6,640,487</td>
<td>($4,652,586)</td>
</tr>
<tr>
<td>Gift, Novelty and Souvenir Stores (45322)</td>
<td>$1,504,086</td>
<td>$541,412</td>
<td>$962,674</td>
</tr>
<tr>
<td>Used Merchandise Stores (4533)</td>
<td>$834,489</td>
<td>$416,462</td>
<td>$418,027</td>
</tr>
<tr>
<td>Other Miscellaneous Store Retailers (4539)</td>
<td>$3,637,956</td>
<td>$2,754,995</td>
<td>$882,961</td>
</tr>
<tr>
<td>Non (Store Retailers (454)</td>
<td>$20,067,527</td>
<td>$4,316,581</td>
<td>$15,750,946</td>
</tr>
<tr>
<td>Electronic Shopping, Mail (Order Houses (4541)</td>
<td>$15,540,421</td>
<td>$0</td>
<td>$15,540,421</td>
</tr>
<tr>
<td>Vending Machine Operators (4542)</td>
<td>$823,780</td>
<td>$542,225</td>
<td>$281,555</td>
</tr>
<tr>
<td>Direct Selling Establishments (4543)</td>
<td>$3,703,326</td>
<td>$3,774,356</td>
<td>($71,030)</td>
</tr>
<tr>
<td>Foodservice and Drinking Places (722)</td>
<td>$32,195,247</td>
<td>$37,012,545</td>
<td>($4,817,298)</td>
</tr>
<tr>
<td>Full (Service Restaurants (7221)</td>
<td>$14,670,920</td>
<td>$13,923,012</td>
<td>$747,908</td>
</tr>
<tr>
<td>Limited (Service Eating Places (7222)</td>
<td>$13,473,651</td>
<td>$21,493,055</td>
<td>($8,019,404)</td>
</tr>
<tr>
<td>Special Foodservices (7223)</td>
<td>$2,587,700</td>
<td>$462,999</td>
<td>$2,124,701</td>
</tr>
<tr>
<td>Drinking Places (Alcoholic Beverages (7224)</td>
<td>$1,462,976</td>
<td>$1,133,479</td>
<td>$329,497</td>
</tr>
</tbody>
</table>
Table A.2
City of Moscow RMP Opportunity Gap – Retail Stores 2007

<table>
<thead>
<tr>
<th>Retail Classification (NAICS 3-digit, 4-digit, 5-digit, or 6-digit Code)</th>
<th>Demand (Consumer Expenditures)</th>
<th>Supply (Retail Sales)</th>
<th>Opportunity Gap/Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAFO*</td>
<td>$80,870,472</td>
<td>$87,431,058</td>
<td>($6,560,586)</td>
</tr>
<tr>
<td>General Merchandise Stores (452)</td>
<td>$37,235,600</td>
<td>$39,580,198</td>
<td>($2,344,598)</td>
</tr>
<tr>
<td>Clothing and Clothing Accessories Stores (448)</td>
<td>$15,921,246</td>
<td>$8,267,478</td>
<td>$7,653,768</td>
</tr>
<tr>
<td>Furniture and Home Furnishings Stores (442)</td>
<td>$6,914,176</td>
<td>$6,960,215</td>
<td>($46,039)</td>
</tr>
<tr>
<td>Electronics and Appliance Stores (443)</td>
<td>$8,380,736</td>
<td>$10,220,310</td>
<td>($1,839,574)</td>
</tr>
<tr>
<td>Sporting Goods, Hobby, Book, Music Stores (451)</td>
<td>$8,926,727</td>
<td>$15,220,958</td>
<td>($6,294,231)</td>
</tr>
<tr>
<td>Office Supplies, Stationery, Gift Stores (4532)</td>
<td>$3,491,987</td>
<td>$7,181,899</td>
<td>($3,689,912)</td>
</tr>
</tbody>
</table>

* GAFO (General merchandise, Apparel, Furniture and Other) represents sales at stores that sell merchandise normally sold in department stores. This category is not included in "Total Retail Sales Including Eating and Drinking Places."

Table A.3, Latah and Whitman County RMP Opportunity Gap – Retail Stores 2007, provides the same information as Table A.3, except that it applies to Latah and Whitman Counties.

Table A.3
Latah and Whitman County RMP Opportunity Gap – Retail Stores 2007

<table>
<thead>
<tr>
<th>Retail Classification (NAICS 3-digit, 4-digit, 5-digit, or 6-digit Code)</th>
<th>Demand (Consumer Expenditures)</th>
<th>Supply (Retail Sales)</th>
<th>Opportunity Gap/Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Retail Sales, Incl. Eating and Drinking Places</td>
<td>$1,112,013,000</td>
<td>$765,330,000</td>
<td>$346,683,000</td>
</tr>
<tr>
<td>Motor Vehicle and Parts Dealers (441)</td>
<td>$255,558,000</td>
<td>$108,730,000</td>
<td>$146,828,000</td>
</tr>
<tr>
<td>Automotive Dealers (4411)</td>
<td>$218,455,000</td>
<td>$85,850,000</td>
<td>$132,605,000</td>
</tr>
<tr>
<td>Other Motor Vehicle Dealers (4412)</td>
<td>$16,763,000</td>
<td>$2,243,000</td>
<td>$14,520,000</td>
</tr>
<tr>
<td>Automotive Parts/Accessories, Tire Stores (4413)</td>
<td>$20,342,000</td>
<td>$20,640,000</td>
<td>($298,000)</td>
</tr>
<tr>
<td>Furniture and Home Furnishings Stores (442)</td>
<td>$24,604,000</td>
<td>$8,926,000</td>
<td>$15,678,000</td>
</tr>
<tr>
<td>Furniture Stores (4421)</td>
<td>$13,227,000</td>
<td>$3,886,000</td>
<td>$9,341,000</td>
</tr>
<tr>
<td>Home Furnishing Stores (4422)</td>
<td>$11,379,000</td>
<td>$5,042,000</td>
<td>$6,337,000</td>
</tr>
<tr>
<td>Electronics and Appliance Stores (443)</td>
<td>$27,188,000</td>
<td>$13,959,000</td>
<td>$13,229,000</td>
</tr>
<tr>
<td>Appliances, TVs, Electronics Stores (44311)</td>
<td>$20,692,000</td>
<td>$11,882,000</td>
<td>$8,810,000</td>
</tr>
<tr>
<td>Household Appliances Stores (443111)</td>
<td>$4,299,000</td>
<td>$6,694,000</td>
<td>($2,395,000)</td>
</tr>
<tr>
<td>Radio, Television, Electronics Stores (443112)</td>
<td>$16,394,000</td>
<td>$5,188,000</td>
<td>$11,206,000</td>
</tr>
<tr>
<td>Computer and Software Stores (44312)</td>
<td>$5,551,000</td>
<td>$1,166,000</td>
<td>$4,385,000</td>
</tr>
<tr>
<td>Camera and Photographic Equipment Stores (44313)</td>
<td>$846,000</td>
<td>$912,000</td>
<td>($66,000)</td>
</tr>
<tr>
<td>Building Material, Garden Equip Stores (444)</td>
<td>$100,542,000</td>
<td>$98,732,000</td>
<td>$1,810,000</td>
</tr>
<tr>
<td>Building Material and Supply Dealers (4442)</td>
<td>$91,407,000</td>
<td>$44,747,000</td>
<td>$46,660,000</td>
</tr>
</tbody>
</table>
## Table A.3
Latah and Whitman County RMP Opportunity Gap – Retail Stores 2007

<table>
<thead>
<tr>
<th>Retail Classification (NAICS 3-digit, 4-digit, 5-digit, or 6-digit Code)</th>
<th>Demand (Consumer Expenditures)</th>
<th>Supply (Retail Sales)</th>
<th>Opportunity Gap/Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Centers (44411)</td>
<td>$36,125,000</td>
<td>$29,237,000</td>
<td>$6,888,000</td>
</tr>
<tr>
<td>Paint and Wallpaper Stores (44412)</td>
<td>$2,355,000</td>
<td>$437,000</td>
<td>$1,918,000</td>
</tr>
<tr>
<td>Hardware Stores (44413)</td>
<td>$7,632,000</td>
<td>$926,000</td>
<td>$6,696,000</td>
</tr>
<tr>
<td>Other Building Materials Dealers (44419)</td>
<td>$45,297,000</td>
<td>$14,141,000</td>
<td>$31,156,000</td>
</tr>
<tr>
<td>Building Materials, Lumberyards (444191)</td>
<td>$15,215,000</td>
<td>$4,823,000</td>
<td>$10,392,000</td>
</tr>
<tr>
<td>Lawn, Garden Equipment, Supplies Stores (4442)</td>
<td>$9,135,000</td>
<td>$53,986,000</td>
<td>$(44,851,000)</td>
</tr>
<tr>
<td>Outdoor Power Equipment Stores (44421)</td>
<td>$1,406,000</td>
<td>$342,000</td>
<td>$1,064,000</td>
</tr>
<tr>
<td>Nursery and Garden Centers (44422)</td>
<td>$7,731,000</td>
<td>$53,645,000</td>
<td>$(45,914,000)</td>
</tr>
<tr>
<td>Food and Beverage Stores (445)</td>
<td>$131,150,000</td>
<td>$178,377,000</td>
<td>$(47,227,000)</td>
</tr>
<tr>
<td>Grocery Stores (4451)</td>
<td>$117,667,000</td>
<td>$168,241,000</td>
<td>$(50,574,000)</td>
</tr>
<tr>
<td>Supermarkets, Grocery (Excluding Convenience) Stores (44511)</td>
<td>$111,684,000</td>
<td>$164,151,000</td>
<td>$(52,467,000)</td>
</tr>
<tr>
<td>Convenience Stores (44512)</td>
<td>$5,984,000</td>
<td>$4,090,000</td>
<td>$1,894,000</td>
</tr>
<tr>
<td>Specialty Food Stores (4452)</td>
<td>$3,961,000</td>
<td>$2,208,000</td>
<td>$1,753,000</td>
</tr>
<tr>
<td>Beer, Wine and Liquor Stores (4453)</td>
<td>$9,524,000</td>
<td>$7,930,000</td>
<td>$1,594,000</td>
</tr>
<tr>
<td>Health and Personal Care Stores (446)</td>
<td>$43,867,000</td>
<td>$23,891,000</td>
<td>$19,976,000</td>
</tr>
<tr>
<td>Pharmacies and Drug Stores (44611)</td>
<td>$37,864,000</td>
<td>$20,561,000</td>
<td>$17,303,000</td>
</tr>
<tr>
<td>Cosmetics, Beauty Supplies, Perfume Stores (44612)</td>
<td>$1,524,000</td>
<td>$662,000</td>
<td>$862,000</td>
</tr>
<tr>
<td>Optical Goods Stores (44613)</td>
<td>$1,656,000</td>
<td>$165,000</td>
<td>$1,491,000</td>
</tr>
<tr>
<td>Other Health and Personal Care Stores (44619)</td>
<td>$2,827,000</td>
<td>$2,506,000</td>
<td>$321,000</td>
</tr>
<tr>
<td>Gasoline Stations (447)</td>
<td>$118,242,000</td>
<td>$78,393,000</td>
<td>$39,849,000</td>
</tr>
<tr>
<td>Gasoline Stations With Convenience Stores (44711)</td>
<td>$88,543,000</td>
<td>$61,310,000</td>
<td>$27,233,000</td>
</tr>
<tr>
<td>Other Gasoline Stations (44719)</td>
<td>$29,699,000</td>
<td>$17,085,000</td>
<td>$12,614,000</td>
</tr>
<tr>
<td>Clothing and Clothing Accessories Stores (448)</td>
<td>$51,410,000</td>
<td>$12,360,000</td>
<td>$39,050,000</td>
</tr>
<tr>
<td>Clothing Stores (4481)</td>
<td>$38,184,000</td>
<td>$8,582,000</td>
<td>$29,602,000</td>
</tr>
<tr>
<td>Men's Clothing Stores (44811)</td>
<td>$2,468,000</td>
<td>$129,000</td>
<td>$2,339,000</td>
</tr>
<tr>
<td>Women's Clothing Stores (44812)</td>
<td>$10,223,000</td>
<td>$1,012,000</td>
<td>$9,211,000</td>
</tr>
<tr>
<td>Children's, Infants' Clothing Stores (44813)</td>
<td>$1,720,000</td>
<td>$101,000</td>
<td>$1,619,000</td>
</tr>
<tr>
<td>Family Clothing Stores (44814)</td>
<td>$20,297,000</td>
<td>$6,083,000</td>
<td>$14,214,000</td>
</tr>
<tr>
<td>Clothing Accessories Stores (44815)</td>
<td>$825,000</td>
<td>$682,000</td>
<td>$143,000</td>
</tr>
<tr>
<td>Other Clothing Stores (44819)</td>
<td>$2,655,000</td>
<td>$575,000</td>
<td>$2,080,000</td>
</tr>
<tr>
<td>Shoe Stores (4482)</td>
<td>$7,203,000</td>
<td>$2,600,000</td>
<td>$4,603,000</td>
</tr>
<tr>
<td>Jewelry, Luggage, Leather Goods Stores (4483)</td>
<td>$6,024,000</td>
<td>$1,179,000</td>
<td>$4,845,000</td>
</tr>
<tr>
<td>Jewelry Stores (44831)</td>
<td>$5,517,000</td>
<td>$1,179,000</td>
<td>$4,338,000</td>
</tr>
<tr>
<td>Luggage and Leather Goods Stores (44832)</td>
<td>$507,000</td>
<td>$0</td>
<td>$507,000</td>
</tr>
</tbody>
</table>
### Table A.3
Latah and Whitman County RMP Opportunity Gap – Retail Stores 2007

<table>
<thead>
<tr>
<th>Retail Classification (NAICS 3-digit, 4-digit, 5-digit, or 6-digit Code)</th>
<th>Demand (Consumer Expenditures)</th>
<th>Supply (Retail Sales)</th>
<th>Opportunity Gap/Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sporting Goods, Hobby, Book, Music Stores (451)</td>
<td>$26,638,000</td>
<td>$19,721,000</td>
<td>$6,917,000</td>
</tr>
<tr>
<td>Sporting Goods, Hobby, Musical Inst Stores (4511)</td>
<td>$14,310,000</td>
<td>$13,015,000</td>
<td>$1,295,000</td>
</tr>
<tr>
<td>Sporting Goods Stores (45111)</td>
<td>$7,419,000</td>
<td>$8,587,000</td>
<td>$(1,168,000)</td>
</tr>
<tr>
<td>Hobby, Toys and Games Stores (45112)</td>
<td>$4,049,000</td>
<td>$1,931,000</td>
<td>$2,118,000</td>
</tr>
<tr>
<td>Sew/NeedleworkPiece Goods Stores (45113)</td>
<td>$1,157,000</td>
<td>$2,066,000</td>
<td>$(909,000)</td>
</tr>
<tr>
<td>Musical Instrument and Supplies Stores (45114)</td>
<td>$1,689,000</td>
<td>$432,000</td>
<td>$1,257,000</td>
</tr>
<tr>
<td>Book, Periodical and Music Stores (4512)</td>
<td>$12,330,000</td>
<td>$6,708,000</td>
<td>$5,622,000</td>
</tr>
<tr>
<td>Book Stores and News Dealers (45121)</td>
<td>$9,359,000</td>
<td>$3,307,000</td>
<td>$6,052,000</td>
</tr>
<tr>
<td>Book Stores (451211)</td>
<td>$9,089,000</td>
<td>$3,307,000</td>
<td>$5,782,000</td>
</tr>
<tr>
<td>News Dealers and Newsstands (451212)</td>
<td>$272,000</td>
<td>$0</td>
<td>$272,000</td>
</tr>
<tr>
<td>Prerecorded Tapes, CDs, Record Stores (45122)</td>
<td>$2,973,000</td>
<td>$3,402,000</td>
<td>$(429,000)</td>
</tr>
<tr>
<td>General Merchandise Stores (452)</td>
<td>$131,932,000</td>
<td>$91,046,000</td>
<td>$40,886,000</td>
</tr>
<tr>
<td>Department Stores Excl Leased Depts (4521)</td>
<td>$60,808,000</td>
<td>$54,962,000</td>
<td>$5,846,000</td>
</tr>
<tr>
<td>Other General Merchandise Stores (4529)</td>
<td>$71,124,000</td>
<td>$36,086,000</td>
<td>$35,038,000</td>
</tr>
<tr>
<td>Warehouse Clubs and Super Stores (45291)</td>
<td>$61,954,000</td>
<td>$34,133,000</td>
<td>$27,421,000</td>
</tr>
<tr>
<td>All Other General Merchandise Stores (45299)</td>
<td>$9,571,000</td>
<td>$1,953,000</td>
<td>$7,618,000</td>
</tr>
<tr>
<td>Miscellaneous Store Retailers (453)</td>
<td>$28,747,000</td>
<td>$18,031,000</td>
<td>$10,716,000</td>
</tr>
<tr>
<td>Florists (4531)</td>
<td>$1,866,000</td>
<td>$1,927,000</td>
<td>$(61,000)</td>
</tr>
<tr>
<td>Office Supplies, Stationery, Gift Stores (4532)</td>
<td>$11,645,000</td>
<td>$9,300,000</td>
<td>$2,345,000</td>
</tr>
<tr>
<td>Office Supplies and Stationery Stores (45321)</td>
<td>$6,587,000</td>
<td>$7,817,000</td>
<td>$(1,230,000)</td>
</tr>
<tr>
<td>Gift, Novelty and Souvenir Stores (45322)</td>
<td>$5,059,000</td>
<td>$1,484,000</td>
<td>$3,575,000</td>
</tr>
<tr>
<td>Used Merchandise Stores (4533)</td>
<td>$2,615,000</td>
<td>$1,567,000</td>
<td>$1,048,000</td>
</tr>
<tr>
<td>Other Miscellaneous Store Retailers (4539)</td>
<td>$12,624,000</td>
<td>$5,238,000</td>
<td>$7,386,000</td>
</tr>
<tr>
<td>Non (Store Retailers (454)</td>
<td>$65,759,000</td>
<td>$43,410,000</td>
<td>$22,349,000</td>
</tr>
<tr>
<td>Electronic Shopping, Mail (Order Houses (4541)</td>
<td>$48,328,000</td>
<td>$31,334,000</td>
<td>$16,994,000</td>
</tr>
<tr>
<td>Vending Machine Operators (4542)</td>
<td>$2,834,000</td>
<td>$792,000</td>
<td>$2,042,000</td>
</tr>
<tr>
<td>Direct Selling Establishments (4543)</td>
<td>$14,600,000</td>
<td>$11,286,000</td>
<td>$3,314,000</td>
</tr>
<tr>
<td>Foodservice and Drinking Places (722)</td>
<td>$106,388,000</td>
<td>$69,763,000</td>
<td>$36,625,000</td>
</tr>
<tr>
<td>Full (Service Restaurants (7221)</td>
<td>$48,055,000</td>
<td>$24,155,000</td>
<td>$23,900,000</td>
</tr>
<tr>
<td>Limited (Service Eating Places (7222)</td>
<td>$44,456,000</td>
<td>$39,956,000</td>
<td>$4,500,000</td>
</tr>
<tr>
<td>Special Foodservices (7223)</td>
<td>$8,893,000</td>
<td>$1,378,000</td>
<td>$7,515,000</td>
</tr>
</tbody>
</table>
### Table A.3

#### Latah and Whitman County RMP Opportunity Gap – Retail Stores 2007

<table>
<thead>
<tr>
<th>Retail Classification (NAICS 3-digit, 4-digit, 5-digit, or 6-digit Code)</th>
<th>Demand (Consumer Expenditures)</th>
<th>Supply (Retail Sales)</th>
<th>Opportunity Gap/Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drinking Places (Alcoholic Beverages (7224))</td>
<td>$4,986,000</td>
<td>$4,278,000</td>
<td>$708,000</td>
</tr>
<tr>
<td>GAFO*</td>
<td>$273,413,000</td>
<td>$155,307,000</td>
<td>$118,106,000</td>
</tr>
<tr>
<td>General Merchandise Stores (452)</td>
<td>$131,932,000</td>
<td>$91,046,000</td>
<td>$40,886,000</td>
</tr>
<tr>
<td>Clothing and Clothing Accessories Stores (448)</td>
<td>$51,410,000</td>
<td>$12,360,000</td>
<td>$39,050,000</td>
</tr>
<tr>
<td>Furniture and Home Furnishings Stores (442)</td>
<td>$24,604,000</td>
<td>$8,926,000</td>
<td>$15,678,000</td>
</tr>
<tr>
<td>Electronics and Appliance Stores (443)</td>
<td>$27,188,000</td>
<td>$13,959,000</td>
<td>$13,229,000</td>
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<tr>
<td>Sporting Goods, Hobby, Book, Music Stores (451)</td>
<td>$26,638,000</td>
<td>$19,721,000</td>
<td>$6,917,000</td>
</tr>
<tr>
<td>Office Supplies, Stationery, Gift Stores (4532)</td>
<td>$11,645,000</td>
<td>$9,300,000</td>
<td>$2,345,000</td>
</tr>
</tbody>
</table>

* GAFO (General merchandise, Apparel, Furniture and Other) represents sales at stores that sell merchandise normally sold in department stores. This category is not included in “Total Retail Sales Including Eating and Drinking Places.”

### A.3 | Occupations

Table A.4, **Largest Occupations, Moscow and Surrounding Areas**, sets out the details for the 10 largest occupations in Zip Codes 83843 and 83844, and the 10 largest occupations in Latah and Whitman Counties (combined). It provides the Standard Occupation Code (“SOC”), the description of the occupation, the number of jobs in the area in 2008, the projected number of jobs in 2018, the change from 2008 to 2018 in real terms and percentage terms, and the 2007 median hourly earnings for the occupational classification.

<table>
<thead>
<tr>
<th>SOC Code</th>
<th>Description</th>
<th>2008 Jobs</th>
<th>2018 Jobs</th>
<th>Change</th>
<th>% Change</th>
<th>2007 Median Hourly Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>41-0000</td>
<td>Sales and related occupations</td>
<td>2,333</td>
<td>2,778</td>
<td>445</td>
<td>19%</td>
<td>$9.55</td>
</tr>
<tr>
<td>43-0000</td>
<td>Office and administrative support occupations</td>
<td>2,323</td>
<td>2,547</td>
<td>224</td>
<td>10%</td>
<td>$11.16</td>
</tr>
<tr>
<td>25-0000</td>
<td>Education, training, and library occupations</td>
<td>1,892</td>
<td>2,306</td>
<td>414</td>
<td>22%</td>
<td>$30.48</td>
</tr>
<tr>
<td>35-0000</td>
<td>Food preparation and serving related occupations</td>
<td>1,850</td>
<td>2,381</td>
<td>531</td>
<td>29%</td>
<td>$6.58</td>
</tr>
<tr>
<td>11-0000</td>
<td>Management occupations</td>
<td>1,617</td>
<td>1,865</td>
<td>248</td>
<td>15%</td>
<td>$17.36</td>
</tr>
<tr>
<td>19-0000</td>
<td>Life, physical, and social science occupations</td>
<td>896</td>
<td>1,011</td>
<td>115</td>
<td>13%</td>
<td>$18.91</td>
</tr>
<tr>
<td>47-0000</td>
<td>Construction and extraction occupations</td>
<td>886</td>
<td>1,071</td>
<td>185</td>
<td>21%</td>
<td>$15.22</td>
</tr>
</tbody>
</table>
### Table A.4
#### Largest Occupations*

<table>
<thead>
<tr>
<th>SOC Code</th>
<th>Description</th>
<th>2008 Jobs</th>
<th>2018 Jobs</th>
<th>Change</th>
<th>% Change</th>
<th>2007 Median Hourly Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>29-0000</td>
<td>Healthcare practitioners and technical occupations</td>
<td>873</td>
<td>943</td>
<td>70</td>
<td>8%</td>
<td>$27.01</td>
</tr>
<tr>
<td>37-0000</td>
<td>Building and grounds cleaning and maintenance occupations</td>
<td>824</td>
<td>992</td>
<td>168</td>
<td>20%</td>
<td>$7.40</td>
</tr>
<tr>
<td>39-0000</td>
<td>Personal care and service occupations</td>
<td>700</td>
<td>816</td>
<td>116</td>
<td>17%</td>
<td>$8.43</td>
</tr>
</tbody>
</table>

Latah and Whitman Counties

<table>
<thead>
<tr>
<th>SOC Code</th>
<th>Description</th>
<th>2008 Jobs</th>
<th>2018 Jobs</th>
<th>Change</th>
<th>% Change</th>
<th>2007 Median Hourly Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>43-0000</td>
<td>Office and administrative support occupations</td>
<td>5,485</td>
<td>5,814</td>
<td>329</td>
<td>6%</td>
<td>$12.81</td>
</tr>
<tr>
<td>41-0000</td>
<td>Sales and related occupations</td>
<td>4,801</td>
<td>5,673</td>
<td>872</td>
<td>18%</td>
<td>$10.69</td>
</tr>
<tr>
<td>25-0000</td>
<td>Education, training, and library occupations</td>
<td>4,650</td>
<td>5,370</td>
<td>720</td>
<td>15%</td>
<td>$26.78</td>
</tr>
<tr>
<td>11-0000</td>
<td>Management occupations</td>
<td>4,575</td>
<td>4,969</td>
<td>394</td>
<td>9%</td>
<td>$17.19</td>
</tr>
<tr>
<td>35-0000</td>
<td>Food preparation and serving related occupations</td>
<td>3,734</td>
<td>4,582</td>
<td>848</td>
<td>23%</td>
<td>$7.81</td>
</tr>
<tr>
<td>47-0000</td>
<td>Construction and extraction occupations</td>
<td>2,099</td>
<td>2,526</td>
<td>427</td>
<td>20%</td>
<td>$17.10</td>
</tr>
<tr>
<td>19-0000</td>
<td>Life, physical, and social science occupations</td>
<td>2,025</td>
<td>2,235</td>
<td>210</td>
<td>10%</td>
<td>$19.36</td>
</tr>
<tr>
<td>29-0000</td>
<td>Healthcare practitioners and technical occupations</td>
<td>1,873</td>
<td>2,104</td>
<td>231</td>
<td>12%</td>
<td>$27.78</td>
</tr>
<tr>
<td>13-0000</td>
<td>Business and financial operations occupations</td>
<td>1,815</td>
<td>2,094</td>
<td>279</td>
<td>15%</td>
<td>$18.18</td>
</tr>
<tr>
<td>53-0000</td>
<td>Transportation and material moving occupations</td>
<td>1,725</td>
<td>1,868</td>
<td>143</td>
<td>8%</td>
<td>$13.21</td>
</tr>
</tbody>
</table>

* Zip Codes 83843 and 83844, which include Moscow and some of the surrounding area.

Table A.5, Highest Paying Occupations, provides the same information for the top 10 highest paying occupations.

### Table A.5
#### Highest Paying Occupations

<table>
<thead>
<tr>
<th>SOC Code</th>
<th>Description</th>
<th>2008 Jobs</th>
<th>2018 Jobs</th>
<th>Change</th>
<th>% Change</th>
<th>2007 Median Hourly Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-0000</td>
<td>Education, training, and library occupations</td>
<td>1,892</td>
<td>2,306</td>
<td>414</td>
<td>22%</td>
<td>$30.48</td>
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<tr>
<td>23-0000</td>
<td>Legal occupations</td>
<td>145</td>
<td>157</td>
<td>12</td>
<td>8%</td>
<td>$30.11</td>
</tr>
<tr>
<td>29-0000</td>
<td>Healthcare practitioners and technical occupations</td>
<td>1,873</td>
<td>2,104</td>
<td>231</td>
<td>12%</td>
<td>$27.78</td>
</tr>
<tr>
<td>17-0000</td>
<td>Architecture and engineering occupations</td>
<td>232</td>
<td>240</td>
<td>8</td>
<td>3%</td>
<td>$22.14</td>
</tr>
<tr>
<td>19-0000</td>
<td>Life, physical, and social science occupations</td>
<td>896</td>
<td>1,011</td>
<td>115</td>
<td>13%</td>
<td>$18.91</td>
</tr>
<tr>
<td>15-0000</td>
<td>Computer and mathematical science occupations</td>
<td>173</td>
<td>202</td>
<td>29</td>
<td>17%</td>
<td>$18.43</td>
</tr>
</tbody>
</table>
## Table A.5
### Highest Paying Occupations

<table>
<thead>
<tr>
<th>SOC Code</th>
<th>Description</th>
<th>2008 Jobs</th>
<th>2018 Jobs</th>
<th>Change</th>
<th>% Change</th>
<th>2007 Median Hourly Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>45-0000</td>
<td>Farming, fishing, and forestry occupations</td>
<td>97</td>
<td>107</td>
<td>10</td>
<td>10%</td>
<td>$18.04</td>
</tr>
<tr>
<td>21-0000</td>
<td>Community and social services occupations</td>
<td>326</td>
<td>386</td>
<td>60</td>
<td>18%</td>
<td>$17.71</td>
</tr>
<tr>
<td>11-0000</td>
<td>Management occupations</td>
<td>1,617</td>
<td>1,865</td>
<td>248</td>
<td>15%</td>
<td>$17.36</td>
</tr>
<tr>
<td>47-0000</td>
<td>Construction and extraction occupations</td>
<td>886</td>
<td>1,071</td>
<td>185</td>
<td>21%</td>
<td>$15.22</td>
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</tbody>
</table>

### Latah and Whitman Counties

<table>
<thead>
<tr>
<th>SOC Code</th>
<th>Description</th>
<th>2008 Jobs</th>
<th>2018 Jobs</th>
<th>Change</th>
<th>% Change</th>
<th>2007 Median Hourly Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>29-0000</td>
<td>Healthcare practitioners and technical occupations</td>
<td>1,873</td>
<td>2,104</td>
<td>231</td>
<td>12%</td>
<td>$27.78</td>
</tr>
<tr>
<td>23-0000</td>
<td>Legal occupations</td>
<td>276</td>
<td>307</td>
<td>31</td>
<td>11%</td>
<td>$27.70</td>
</tr>
<tr>
<td>25-0000</td>
<td>Education, training, and library occupations</td>
<td>4,650</td>
<td>5,370</td>
<td>720</td>
<td>15%</td>
<td>$26.78</td>
</tr>
<tr>
<td>17-0000</td>
<td>Architecture and engineering occupations</td>
<td>692</td>
<td>778</td>
<td>86</td>
<td>12%</td>
<td>$23.93</td>
</tr>
<tr>
<td>15-0000</td>
<td>Computer and mathematical science occupations</td>
<td>571</td>
<td>667</td>
<td>96</td>
<td>17%</td>
<td>$22.45</td>
</tr>
<tr>
<td>19-0000</td>
<td>Life, physical, and social science occupations</td>
<td>2,025</td>
<td>2,235</td>
<td>210</td>
<td>10%</td>
<td>$19.36</td>
</tr>
<tr>
<td>21-0000</td>
<td>Community and social services occupations</td>
<td>917</td>
<td>1,010</td>
<td>93</td>
<td>10%</td>
<td>$18.96</td>
</tr>
<tr>
<td>13-0000</td>
<td>Business and financial operations occupations</td>
<td>1,815</td>
<td>2,094</td>
<td>279</td>
<td>15%</td>
<td>$18.18</td>
</tr>
<tr>
<td>45-0000</td>
<td>Farming, fishing, and forestry occupations</td>
<td>668</td>
<td>765</td>
<td>97</td>
<td>15%</td>
<td>$17.94</td>
</tr>
<tr>
<td>33-0000</td>
<td>Protective service occupations</td>
<td>1,165</td>
<td>1,432</td>
<td>267</td>
<td>23%</td>
<td>$17.45</td>
</tr>
</tbody>
</table>

## Table A.6, Fastest Growing Occupations

### Fastest Growing Occupations

<table>
<thead>
<tr>
<th>SOC Code</th>
<th>Description</th>
<th>2008 Jobs</th>
<th>2018 Jobs</th>
<th>Change</th>
<th>% Change</th>
<th>2007 Median Hourly Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>35-0000</td>
<td>Food preparation and serving related occupations</td>
<td>1,850</td>
<td>2,381</td>
<td>531</td>
<td>29%</td>
<td>$6.58</td>
</tr>
<tr>
<td>41-0000</td>
<td>Sales and related occupations</td>
<td>2,333</td>
<td>2,778</td>
<td>445</td>
<td>19%</td>
<td>$9.55</td>
</tr>
<tr>
<td>25-0000</td>
<td>Education, training, and library occupations</td>
<td>1,892</td>
<td>2,306</td>
<td>414</td>
<td>22%</td>
<td>$11.48</td>
</tr>
<tr>
<td>11-0000</td>
<td>Management occupations</td>
<td>1,617</td>
<td>1,865</td>
<td>248</td>
<td>15%</td>
<td>$17.36</td>
</tr>
<tr>
<td>43-0000</td>
<td>Office and administrative support occupations</td>
<td>2,323</td>
<td>2,547</td>
<td>224</td>
<td>10%</td>
<td>$11.16</td>
</tr>
<tr>
<td>47-0000</td>
<td>Construction and extraction occupations</td>
<td>886</td>
<td>1,071</td>
<td>185</td>
<td>21%</td>
<td>$15.22</td>
</tr>
</tbody>
</table>
### Fastest Growing Occupations

<table>
<thead>
<tr>
<th>SOC Code</th>
<th>Description</th>
<th>2008 Jobs</th>
<th>2018 Jobs</th>
<th>Change</th>
<th>% Change</th>
<th>2007 Median Hourly Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>37-0000</td>
<td>Building and grounds cleaning and maintenance occupations</td>
<td>824</td>
<td>992</td>
<td>168</td>
<td>20%</td>
<td>$7.40</td>
</tr>
<tr>
<td>33-0000</td>
<td>Protective service occupations</td>
<td>474</td>
<td>599</td>
<td>125</td>
<td>26%</td>
<td>$13.59</td>
</tr>
<tr>
<td>39-0000</td>
<td>Personal care and service occupations</td>
<td>700</td>
<td>816</td>
<td>116</td>
<td>17%</td>
<td>$8.43</td>
</tr>
<tr>
<td>19-0000</td>
<td>Life, physical, and social science occupations</td>
<td>896</td>
<td>1,011</td>
<td>115</td>
<td>13%</td>
<td>$18.91</td>
</tr>
</tbody>
</table>

Latah and Whitman Counties

<table>
<thead>
<tr>
<th>SOC Code</th>
<th>Description</th>
<th>2008 Jobs</th>
<th>2018 Jobs</th>
<th>Change</th>
<th>% Change</th>
<th>2007 Median Hourly Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>41-0000</td>
<td>Sales and related occupations</td>
<td>4,801</td>
<td>5,673</td>
<td>872</td>
<td>18%</td>
<td>$10.69</td>
</tr>
<tr>
<td>35-0000</td>
<td>Food preparation and serving related occupations</td>
<td>3,734</td>
<td>4,582</td>
<td>848</td>
<td>23%</td>
<td>$7.81</td>
</tr>
<tr>
<td>25-0000</td>
<td>Education, training, and library occupations</td>
<td>4,650</td>
<td>5,370</td>
<td>720</td>
<td>15%</td>
<td>$26.78</td>
</tr>
<tr>
<td>47-0000</td>
<td>Construction and extraction occupations</td>
<td>2,099</td>
<td>2,526</td>
<td>427</td>
<td>20%</td>
<td>$17.10</td>
</tr>
<tr>
<td>11-0000</td>
<td>Management occupations</td>
<td>4,575</td>
<td>4,969</td>
<td>394</td>
<td>9%</td>
<td>$17.19</td>
</tr>
<tr>
<td>51-0000</td>
<td>Production occupations</td>
<td>1,716</td>
<td>2,069</td>
<td>353</td>
<td>21%</td>
<td>$16.01</td>
</tr>
<tr>
<td>43-0000</td>
<td>Office and administrative support occupations</td>
<td>5,485</td>
<td>5,814</td>
<td>329</td>
<td>6%</td>
<td>$12.81</td>
</tr>
<tr>
<td>37-0000</td>
<td>Building and grounds cleaning and maintenance occupations</td>
<td>1,676</td>
<td>1,984</td>
<td>308</td>
<td>18%</td>
<td>$8.59</td>
</tr>
<tr>
<td>13-0000</td>
<td>Business and financial operations occupations</td>
<td>1,815</td>
<td>2,094</td>
<td>279</td>
<td>15%</td>
<td>$18.18</td>
</tr>
<tr>
<td>33-0000</td>
<td>Protective service occupations</td>
<td>1,165</td>
<td>1,432</td>
<td>267</td>
<td>23%</td>
<td>$17.45</td>
</tr>
</tbody>
</table>

### Demographics

**Table A.7, Age Cohorts**, shows the projected changes in various age cohorts between 2008 and 2018. State LQ is the location quotient for the age cohort, which compares the ratio of the age cohort in the area covered by the table with the ratio of the same cohort in the statewide population.
A.5 | Agricultural Context

Latah County has extraordinarily productive soils for agriculture. Unlike many areas of the country, where farms are being consolidated or disappearing altogether, in Latah County, the number of farms increased from 768 in 1997 to 890 in 2002. However, farm sales decreased from $40,460,000 in 1997 to $39,862,000 in 2002.
The two most land-intensive crops in Latah County in 2007 were wheat and barley, which occupied 118,000 acres. Table A.8, Crop Harvest (2007), shows the productivity of these farms.

<table>
<thead>
<tr>
<th>Crop</th>
<th>Planted</th>
<th>Harvested</th>
<th>Yield</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>103,000 ac.</td>
<td>100,300 ac.</td>
<td>65 bushel</td>
<td>6,520,000 bushel</td>
</tr>
<tr>
<td>Barley</td>
<td>15,000 ac.</td>
<td>14,600 ac.</td>
<td>58.9 bushel</td>
<td>860,000 bushel</td>
</tr>
</tbody>
</table>

Livestock and poultry raised in Latah County generated $3,197,000 in sales in 1997 for 297 farms. By 2002, sales fell to $2,714,000 among 269 farms. Of the various types of livestock, cattle and calves were the most significant. They generated $2,362,000 in sales in 1997 among 222 farms. By 2002, the number of farms that raised cattle and calves had declined to 164, and sales fell to $2,007,000, a number which provided slightly better earnings than in 1997 when measured on a per-farm basis.

In 1997, 33 farms in Latah County sold products directly to individuals. In 2002, the number grew to 54. The increase in total value of the goods sold rose from $73,000 in 1997 to $98,000 in 2002, an increase that did not keep pace with the growth in the number of farms. In addition to those farms that sold products directly to individuals, five farms that produce certified organic commodities were formed between 1997 and 2002.
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Purpose of this Appendix

The purpose of this appendix is to provide the narrative from Claritas, Inc. regarding its PRIZM NE lifestyle segmentation data. The balance of this appendix is provided by Claritas, Inc. It is also available on the worldwide web at:


PRIZM NE Lifestage Groups

PRIZM NE’s lifestage classifications provide a different way to look at groups of PRIZM NE segments. While social groups are based on both affluence and the Claritas Urban city measure, lifestage groups account for affluence and a combination of householder age and kids still living at home.

Within three lifestage classes—Younger Years, Family Life, and Mature Years—the 66 segments are further grouped into 11 lifestyle groups. Each lifestyle group’s combination of the three variables—affluence, householder age, and presence of children at home—help paint a more vivid picture of the likely lifestyle of the segments in that group. For example, the three lifestage groups that comprise the class Younger Years share the characteristic that the majority of households are young and childless.

What differentiates Y1: Midlife Success, from Y2: Young Achievers, is the age at which residents have achieved this level of affluence. Similarly, the four groups of segments that make up Family Life have children in common, while segments categorized as Mature Years are mostly empty nesters. The most affluent family segments fall into F1: Accumulated Wealth, which includes Blue Blood Estates, Country Squires, and Winner’s Circle.
Lifestage Classes

**Younger Years**
The first class, *Younger Years*, consists of 22 segments in three lifestage groups where singles and couples are typically under 45 years old and child free: residents may be too young to have kids or are approaching middle age and have chosen not to have them.

- Group Y1 – Midlife Success
- Group Y2 – Young Achievers
- Group Y3 – Striving Singles

**Family Life**
The presence of children is the defining characteristic of the segments in the *Family Life* class. *Family Life* is comprised of 20 segments in four Lifestage Groups, all of which have high indexes for middle aged adults and children living at home.

- Group F1 – Accumulated Wealth
- Group F2 – Young Accumulators
- Group F3 – Mainstream Families
- Group F4 – Sustaining Families

**Mature Years**
The final class, *Mature Years*, comprises 24 segments in four lifestage groups, all with residents who tend to be over 45 years old and childless—segments with high rates for both 50 year old residents and children under 18 are included in *Family Life*.

- Group M1 – Affluent Empty Nests
- Group M2 – Conservative Classics
- Group M3 – Cautious Couples
- Group M4 – Sustaining Seniors

Lifestage Groups and Lifestyle Segments

**Group Y1 – Midlife Success**
The eight segments in Midlife Success typically are filled with childless singles and couples in their thirties and forties. The wealthiest of the Younger Years class, this group is home to many white, college educated residents who make six figure incomes at executive and professional jobs but also extends to more middle class
segments. Most of these segments are found in suburban and exurban communities, and consumers here are big fans of the latest technology, financial products, aerobic exercise, and travel.

03. Movers & Shakers – Movers & Shakers is home to America’s up-and-coming business class: a wealthy suburban world of dual-income couples who are highly educated, typically between the ages of 35 and 54, often with children. Given its high percentage of executives and white-collar professionals, there’s a decided business bent to this segment: Movers & Shakers rank number-one for owning a small business and having a home office.

08. Executive Suites – Executive Suites consists of upper-middle-class singles and couples typically living just beyond the nation’s beltways. Filled with significant numbers of Asian Americans and college graduates—both groups are represented at more than twice the national average—this segment is a haven for white-collar professionals drawn to comfortable homes and apartments within a manageable commute to downtown jobs, restaurants and entertainment.

11. God’s Country – When city dwellers and suburbanites began moving to the country in the 1970s, God’s Country emerged as the most affluent of the nation’s exurban lifestyles. Today, wealthier communities exist in the hinterlands, but God’s Country remains a haven for upper-income couples in spacious homes. Typically college-educated Baby Boomers, these Americans try to maintain a balanced lifestyle between high-power jobs and laid-back leisure.

12. Brite Lites Li’l City – Not all of the America’s chic sophisticates live in major metros. Brite Lights, Li’l City is a group of well-off, middle-aged couples settled in the nation’s satellite cities. Residents of these typical DINK (double income, no kids) households have college educations, well-paying business and professional careers and swank homes filled with the latest technology.

19. Home Sweet Home – Widely scattered across the nation’s suburbs, the residents of Home Sweet Home tend to be upper-middle-class married couples living in mid-sized homes with few children. The adults in the segment, mostly between the ages of 25 and 54, have gone to college and hold professional and white-collar jobs. With their upscale incomes and small families, these folks have fashioned comfortable lifestyles, filling their homes with toys, TV sets and pets.

25. Country Casuals – There’s a laid-back atmosphere in Country Casuals, a collection of middle-aged, upper-middle-class households that have started to emp-
ty-nest. Workers here—and most households boast two earners—have well-paying blue- or white collar jobs, or own small businesses. Today these Baby-Boom couples have the disposable income to enjoy traveling, owning timeshares and going out to eat.

30. Suburban Sprawl – Suburban Sprawl is an unusual American lifestyle: a collection of midscale, middle-aged singles and couples living in the heart of suburbia. Typically members of the Baby Boom generation, they hold decent jobs, own older homes and condos, and pursue conservative versions of the American Dream. Among their favorite activities are jogging on treadmills, playing trivia games and renting videos.

37. Mayberry-ville – Like the old Andy Griffith Show set in a quaint picturesque berg, Mayberry-ville harks back to an old-fashioned way of life. In these small towns, middle-class couples and families like to fish and hunt during the day, and stay home and watch TV at night. With lucrative blue-collar jobs and moderately priced housing, residents use their discretionary cash to purchase boats, campers, motorcycles and pickup trucks.

Group Y2 – Young Achievers
Young, hip singles are the prime residents of Young Achievers, a lifestage group of twentysomethings who’ve recently settled in metro neighborhoods. Their incomes range from working class to well to do, but most residents are still renting apartments in cities or close in suburbs. These seven segments contain a high percentage of Asian singles, and there’s a decidedly progressive sensibility in their tastes as reflected in the group’s liberal politics, alternative music, and lively nightlife. Young Achiever segments are twice as likely as the general population to include college students living in group quarters.

04. Young Digerati – Young Digerati are the nation’s tech-savvy singles and couples living in fashionable neighborhoods on the urban fringe. Affluent, highly educated and ethnically mixed, Young Digerati communities are typically filled with trendy apartments and condos, fitness clubs and clothing boutiques, casual restaurants and all types of bars—from juice to coffee to microbrew.

16. Bohemian Mix – A collection of young, mobile urbanites, Bohemian Mix represents the nation’s most liberal lifestyles. Its residents are a progressive mix of young singles and couples, students and professionals, Hispanics, Asians, African-Americans and whites. In their funky rowhouses and apartments, Bohemian Mixers are the early adopters who are quick to check out the latest movie, nightclub, laptop and microbrew.

22. Young Influentials – Once known as the home of the nation’s yuppies, Young
Influentials reflects the fading glow of acquisitive yuppiedom. Today, the segment is a common address for young, middle-class singles and couples who are more preoccupied with balancing work and leisure pursuits. Having recently left college dorms, they now live in apartment complexes surrounded by ball fields, health clubs and casual-dining restaurants.

23. **Greenbelt Sports** – A segment of middle-class exurban couples, Greenbelt Sports is known for its active lifestyle. Most of these middle-aged residents are married, college-educated and own new homes; about a third have children. And few segments have higher rates for pursuing outdoor activities such as skiing, canoeing, backpacking, boating and mountain biking.

24. **Up-and-Comers** – Up-and-Comers is a stopover for young, midscale singles before they marry, have families and establish more deskbound lifestyles. Found in second-tier cities, these mobile, twentysomethings include a disproportionate number of recent college graduates who are into athletic activities, the latest technology and nightlife entertainment.

31. **Urban Achievers** – Concentrated in the nation’s port cities, Urban Achievers is often the first stop for up-and-coming immigrants from Asia, South America and Europe. These young singles and couples are typically college-educated and ethnically diverse: about a third are foreign-born, and even more speak a language other than English.

35. **Boomtown Singles** – Affordable housing, abundant entry-level jobs and a thriving singles scene—all have given rise to the Boomtown Singles segment in fast-growing satellite cities. Young, single and working-class, these residents pursue active lifestyles amid sprawling apartment complexes, bars, convenience stores and laundromats.

**Group Y3 – Striving Singles**
The seven segments in *Striving Singles* make up the most downscale of the Younger Years class. Centered in exurban towns and satellite cities, these twentysomething singles typically have low incomes—often under $30,000 a year—from service jobs or part time work they take on while going to college. Housing for this group consists of a mix of cheap apartment complexes, dormitories, and mobile homes. As consumers, the residents in these segments score high for outdoor sports, movies and music, fast food, and inexpensive cars.

42. **Red, White & Blues** – The residents of Red, White & Blues typically live in exurban towns rapidly morphing into bedroom suburbs. Their streets feature new fast-food restaurants, and locals have recently celebrated the arrival of chains like Wal-Mart, Radio Shack and Payless Shoes. Middle-aged, high school educated and lower-middle class, these folks tend to have
solid, blue-collar jobs in manufacturing, milling and construction.

44. New Beginnings – Filled with young, single adults, New Beginnings is a magnet for adults in transition. Many of its residents are twentysomething singles and couples just starting out on their career paths—or starting over after recent divorces or company transfers. Ethnically diverse—with nearly half its residents Hispanic, Asian or African-American—New Beginnings households tend to have the modest living standards typical of transient apartment dwellers.

45. Blue Highways – On maps, blue highways are often two-lane roads that wind through remote stretches of the American landscape. Among lifestyles, Blue Highways is the standout for lower-middle-class couples and families who live in isolated towns and farmsteads. Here, Boomer men like to hunt and fish; the women enjoy sewing and crafts, and everyone looks forward to going out to a country music concert.

47. City Startups – In City Startups, young, multi-ethnic singles have settled in neighborhoods filled with cheap apartments and a commercial base of cafés, bars, laundromats and clubs that cater to twentysomethings. One of the youngest segments in America—with ten times as many college students as the national average—these neighborhoods feature low incomes and high concentrations of Hispanics and African-Americans.

48. Young & Rustic – Like the soap opera that inspired its nickname, Young & Rustic is composed of young, restless singles. Unlike the glitzy soap denizens, however, these folks tend to be lower income, high school-educated and live in tiny apartments in the nation’s exurban towns. With their service industry jobs and modest incomes, these folks still try to fashion fast-paced lifestyles centered on sports, cars and dating.

53. Mobility Blues – Young singles and single parents make their way to Mobility Blues, a segment of working-class neighborhoods in America’s satellite cities. Racially mixed and under 25 years old, these transient Americans tend to have modest lifestyles due to their lower-income blue-collar jobs. Surveys show they excel in going to movies, playing basketball and shooting pool.

56. Crossroads Villagers – With a population of middle-aged, blue-collar couples and families, Crossroads Villagers is a classic rural lifestyle. Residents are high school-educated, with lower-middle incomes and modest housing; one-quarter live in mobile homes. And there’s an air of self-reliance in these households as Crossroads Villagers help put food on the table through fishing, gardening and hunting.
Group F1 – Accumulated Wealth
The three segments in Accumulated Wealth contain the wealthiest families, mostly college educated, white collar Baby Boomers living in sprawling homes beyond the nation’s beltways. These large family segments are filled with upscale professionals—the group’s median income is nearly six figures—who have the disposable cash and sophisticated tastes to indulge their children with electronic toys, computer games, and top of the line sporting equipment. The adults in these households are also a prime audience for print media, expensive cars and frequent vacations—often to theme parks as well as European destinations.

02. Blue Blood Estates – Blue Blood Estates is a family portrait of suburban wealth, a place of million-dollar homes and manicured lawns, high-end cars and exclusive private clubs. The nation’s second-wealthiest lifestyle, it is characterized by married couples with children, college degrees, a significant percentage of Asian Americans and six-figure incomes earned by business executives, managers and professionals.

05. Country Squires – The wealthiest residents in exurban America live in Country Squires, an oasis for affluent Baby Boomers who’ve fled the city for the charms of small-town living. In their bucolic communities noted for their recently built homes on sprawling properties, the families of executives live in six-figure comfort. Country Squires enjoy country club sports like golf, tennis and swimming as well as skiing, boating and biking.

06. Winner’s Circle – Among the wealthy suburban lifestyles, Winner’s Circle is the youngest, a collection of mostly 25- to 34-year-old couples with large families in new-money subdivisions. Surrounding their homes are the signs of upscale living: recreational parks, golf courses and upscale malls. With a median income of nearly $90,000, Winner’s Circle residents are big spenders who like to travel, ski, go out to eat, shop at clothing boutiques and take in a show.

Group F2 – Young Accumulators
Compared to the Accumulated Wealth group, the five segments in Young Accumulators are slightly younger and less affluent than their upscale peers. Ethnically diverse, these households include an above average number of Hispanic and Asian Americans. Adults typically have college educations and work a mix of white collar managerial and professional jobs. Found mostly in suburban and exurban areas, the large families in Young Accumulators have fashioned comfortable, upscale lifestyles in their mid sized homes. They favor outdoor sports, kid friendly technology and adult toys like campers, powerboats, and motorcycles. Their media tastes lean towards cable networks targeted to children and teenagers.
13. **Upward Bound** – More than any other segment, Upward Bound appears to be the home of those legendary Soccer Moms and Dads. In these small satellite cities, upper-class families boast dual incomes, college degrees and new split-levels and colonials. Residents of Upward Bound tend to be kid-obsessed, with heavy purchases of computers, action figures, dolls, board games, bicycles and camping equipment.

17. **Beltway Boomers** – The members of the postwar Baby Boom are all grown up. Today, these Americans are in their forties and fifties, and one segment of this huge cohort—college-educated, upper-middle-class and home-owning—is found in Beltway Boomers. Like many of their peers who married late, these Boomers are still raising children in comfortable suburban subdivisions, and they’re pursuing kid-centered lifestyles.

18. **Kids & Cul-de-Sacs** – Upscale, suburban, married couples with children—that’s the skinny on Kids & Cul-de-Sacs, an enviable lifestyle of large families in recently built subdivisions. With a high rate of Hispanic and Asian Americans, this segment is a refuge for college-educated, white-collar professionals with administrative jobs and upper-middle-class incomes. Their nexus of education, affluence and children translates into large outlays for child-centered products and services.

20. **Fast-Track Families** – With their upper-middle-class incomes, numerous children and spacious homes, Fast-Track Families are in their prime acquisition years. These middle-aged parents have the disposable income and educated sensibility to want the best for their children. They buy the latest technology with impunity: new computers, DVD players, home theater systems and video games. They take advantage of their rustic locales by camping, boating and fishing.

29. **American Dreams** – American Dreams is a living example of how ethnically diverse the nation has become: more than half the residents are Hispanic, Asian or African-American. In these multilingual neighborhoods—one in ten speaks a language other than English—middle-aged immigrants and their children live in middle-class comfort.

**Group F3 – Mainstream Families**

*Mainstream Families* refers to a collection of seven segments of middle and working-class child-filled households. While the age range of adults is broad—from 25 to 54—these are households with at least one child under 18 still at home. And residents in this exurban group share similar consumption patterns, living in modestly priced homes—including mobile homes—and ranking high for owning three or more cars. As consumers, Mainstream Families maintain lifestyles befitting large families in the nation’s small towns: lots of sports, electronic toys, groceries in bulk, and televised media.
32. New Homesteaders – Young, middle-class families seeking to escape suburban sprawl find refuge in New Homesteaders, a collection of small rustic townships filled with new ranches and Cape Cods. With decent-paying jobs in white-collar and service industries, these dual-income couples have fashioned comfortable, child-centered lifestyles, their driveways filled with campers and powerboats, their family rooms with PlayStations and Game Boys.

33. Big Sky Families – Scattered in placid towns across the American heartland, Big Sky Families is a segment of young rural families who have turned high school educations and blue-collar jobs into busy, middle-class lifestyles. Residents like to play baseball, basketball and volleyball, besides going fishing, hunting and horseback riding. To entertain their sprawling families, they buy virtually every piece of sporting equipment on the market.

34. White Picket Fences – Midpoint on the socioeconomic ladder, residents in White Picket Fences look a lot like the stereotypical American household of a generation ago: young, middle-class, married with children. But the current version is characterized by modest homes and ethnic diversity—including a disproportionate number of Hispanics and African-Americans.

36. Blue-Chip Blues – Blue-Chip Blues is known as a comfortable lifestyle for young, sprawling families with well-paying blue-collar jobs. Ethnically diverse—with a significant presence of Hispanics and African-Americans—the segment’s aging neighborhoods feature compact, modestly priced homes surrounded by commercial centers that cater to child-filled households.

50. Kid Country, USA – Widely scattered throughout the nation’s heartland, Kid Country, USA is a segment dominated by large families living in small towns. Predominantly white, with an above-average concentration of Hispanics, these young, these working-class households include homeowners, renters and military personnel living in base housing; about 20 percent of residents own mobile homes.

51. Shotguns & Pickups – The segment known as Shotguns & Pickups came by its moniker honestly: it scores near the top of all lifestyles for owning hunting rifles and pickup trucks. These Americans tend to be young, working-class couples with large families—more than half have two or more kids—living in small homes and manufactured housing. Nearly a third of residents live in mobile homes, more than anywhere else in the nation.
52. **Suburban Pioneers** – Suburban Pioneers represents one of the nation’s eclectic lifestyles, a mix of young singles, recently divorced and single parents who have moved into older, inner-ring suburbs. They live in aging homes and garden-style apartment buildings, where the jobs are blue-collar and the money is tight. But what unites these residents—a diverse mix of whites, Hispanics and African-Americans—is a working-class sensibility and an appreciation for their off-the-beaten-track neighborhoods.

54. **Multi-Culti Mosaic** – An immigrant gateway community, Multi-Culti Mosaic is the urban home for a mixed populace of younger Hispanic, Asian and African-American singles and families. With nearly a quarter of the residents foreign born, this segment is a mecca for first-generation Americans who are striving to improve their lower-middle-class status.

**Group F4 – Sustaining Families**

*Sustaining Families* is the least affluent of the *Family Life groups*, an assortment of segments that range from working class to decidedly downscale. Ethnically mixed, with a high percentage of African American, Asian, and Hispanic families, these segments also display geographic diversity—from inner cities to some of the most isolated communities in the nation. Most adults hold blue collar and service jobs, earning wages that relegate their families to small, older apartments and mobile homes. And the lifestyles are similarly modest: households here are into playing games and sports, shopping at discount chains and convenience stores, and tuning into nearly everything that airs on TV and radio.

63. **Family Thrifts** – The small-city cousins of inner-city districts, Family Thrifts contain young, ethnically diverse parents who have lots of children and work entry-level service jobs. In these apartment-filled neighborhoods, visitors find the streets jam-packed with babies and toddlers, tricycles and basketball hoops, Daewoos and Hyundais.

64. **Bedrock America** – Bedrock America consists of young, economically challenged families in small, isolated towns located throughout the nation’s heartland. With modest educations, sprawling families and blue-collar jobs, many of these residents struggle to make ends meet. One quarter live in mobile homes. One in three haven’t finished high school. Rich in scenery, Bedrock America is a haven for fishing, hunting, hiking and camping.

65. **Big City Blues** – With a population that’s 50 percent Latino, Big City Blues has the highest concentration of Hispanic Americans in the nation. But it’s also the multi-ethnic address for downscale Asian and African-American households occupying older inner-city apartments. Concentrated in a handful of major metros, these young singles and single-parent
families face enormous challenges: low incomes, uncertain jobs and modest educations. More than 40 percent haven’t finished high school.

66. Low-Rise Living – The most economically challenged urban segment, Low-Rise Living is known as a transient world for young, ethnically diverse singles and single parents. Home values are low—about half the national average—and even then less than a quarter of residents can afford to own real estate. Typically, the commercial base of Mom-and-Pop stores is struggling and in need of a renaissance.

Group M1 – Affluent Empty Nests
While those on the “MTV side” of may debate their inclusion in this group, Americans in the Mature Years tend to be over 45 years old and living in houses that have empty nested. The four wealthiest segments in this group are classified Affluent Empty Nests, and they feature upscale couples who are college educated, hold executive and professional positions and are over 45. While their neighborhoods are found across a variety of landscapes—from urban to small town areas—they all share a propensity for living in large, older homes. With their children out of the house, these consumers have plenty of disposable cash to finance active lifestyles rich in travel, cultural events, exercise equipment, and business media. These folks are also community activists who write politicians, volunteer for environmental groups, and vote regularly in elections.

01. Upper Crust – The nation’s most exclusive address, Upper Crust is the wealthiest lifestyle in America—a haven for empty-nesting couples over 55 years old. No segment has a higher concentration of residents earning over $200,000 a year or possessing a postgraduate degree. And none has a more opulent standard of living.

07. Money and Brains – The residents of Money & Brains seem to have it all: high incomes, advanced degrees and sophisticated tastes to match their credentials. Many of these citydwellers—predominantly white with a high concentration of Asian Americans—are married couples with few children who live in fashionable homes on small, manicured lots.

9. Big Fish, Small Pond – Older, upper-class, college-educated professionals, the members of Big Fish, Small Pond are often among the leading citizens of their small-town communities. These upscale, empty-nesting couples enjoy the trappings of success, belonging to country clubs, maintaining large investment portfolios and spending freely on computer technology.

10. Second City Elite – There’s money to be found in the nation’s smaller cities, and you’re most likely to find it in Second City Elite. The residents of these satellite cities tend to be prosperous executives who
decorate their $200,000 homes with multiple computers, large-screen TV sets and an impressive collection of wines. With more than half holding college degrees, Second City Elite residents enjoy cultural activities—from reading books to attending theater and dance productions.

**Group M2 – Conservative Classics**

College educated, over 55 years old and upper middle class, the six segments in Conservative Classics offer a portrait of quiet comfort. These childless singles and couples live in older suburban homes with two cars in the driveway and a wooden deck out back. For leisure at home, they enjoy gardening, reading books, watching public television, and entertaining neighbors over barbecues. When they go out, it’s often to a local museum, the theater, or a casual dining restaurant like the Olive Garden or Lone Star Steakhouse.

14. **New Empty Nests** – With their grown-up children recently out of the house, New Empty Nests is composed of upscale older Americans who pursue active—and activist—lifestyles. Nearly three-quarters of residents are over 65 years old, but they show no interest in a rest-home retirement. This is the top-ranked segment for all-inclusive travel packages; the favorite destination is Italy.

15. **Pools & Patios** – Formed during the postwar Baby Boom, Pools & Patios has evolved from a segment of young suburban families to one for mature, empty-nesting couples. In these stable neighborhoods graced with backyard pools and patios—the highest proportion of homes were built in the 1960s—residents work as white-collar managers and professionals, and are now at the top of their careers.

21. **Gray Power** – The steady rise of older, healthier Americans over the past decade has produced one important by-product: middle-class, home-owning suburbanites who are aging in place rather than moving to retirement communities. Gray Power reflects this trend, a segment of older, midscale singles and couples who live in quiet comfort.

26. **The Cosmopolitans** – These immigrants and descendants of multi-cultural backgrounds in multi-racial, multi-lingual neighborhoods typify the American Dream. Married couples, with and without children, as well as single parents are affluent from working hard at multiple trades and public service jobs. They have big families, which is unusual for social group U1.

27. **Middleburg Managers** – Middleburg Managers arose when empty-nesters settled in satellite communities which offered a lower cost of living and more relaxed pace. Today, segment residents tend to be middle-class and over 55 years old, with solid managerial jobs and
comfortable retirements. In their older homes, they enjoy reading, playing musical instruments, indoor gardening and refinishing furniture.

28. Traditional Times – Traditional Times is the kind of lifestyle where small-town couples nearing retirement are beginning to enjoy their first empty-nest years. Typically in their fifties and sixties, these middle-class Americans pursue a kind of granola-and-grits lifestyle. On their coffee tables are magazines with titles ranging from Country Living and Country Home to Gourmet and Forbes. But they’re big travelers, especially in recreational vehicles and campers.

Group M3 – Cautious Couples
Another large group of Mature Years segments is Cautious Couples, featuring an over 55 year old mix of singles, couples, and widows. Widely scattered throughout the nation, the residents in these seven segments typically are working class and white, with some college education and a high rate of homeownership. Given their blue collar roots, Cautious Couples today pursue sedate lifestyles. They have high rates for reading, travel, eating out at family restaurants, and pursuing home based hobbies like coin collecting and gardening.

38. Simple Pleasures – With more than two-thirds of its residents over 65 years old, Simple Pleasures is mostly a retirement lifestyle: a neighborhood of lower-middle-class singles and couples living in modestly priced homes. Many are high school-educated seniors who held blue-collar jobs before their retirement. And a disproportionate number served in the military; no segment has more members of veterans clubs.

39. Domestic Duos – Domestic Duos represents a middle-class mix of mainly over-55 singles and married couples living in older suburban homes. With their high-school educations and fixed incomes, segment residents maintain an easy-going lifestyle. Residents like to socialize by going bowling, seeing a play, meeting at the local fraternal order or going out to eat.

40. Close-In Couples – Close-In Couples is a group of predominantly older, African-American couples living in older homes in the urban neighborhoods of mid-sized metros. High school educated and empty nesting, these 55-year-old-plus residents typically live in older city neighborhoods, enjoying secure and comfortable retirements.

41. Sunset City Blues – Scattered throughout the older neighborhoods of small cities, Sunset City Blues is a segment of lower-middle-class singles and couples who have retired or are getting close to it. These empty-nesters tend to own their homes but have modest educations and incomes. They maintain a low-key lifestyle filled with newspapers
and television by day, and family-style restaurants at night.

43. **Heartlanders** – America was once a land of small middle-class towns, which can still be found today among Heartlanders. This widespread segment consists of middle-aged couples with working-class jobs living in sturdy, unpretentious homes. In these communities of small families and empty-nesting couples, Heartlanders pursue a rustic lifestyle where hunting and fishing remain prime leisure activities along with cooking, sewing, camping and boating.

46. **Old Glories** – Old Glories are the nation’s downscale suburban retirees, Americans aging in place in older apartment complexes. These racially mixed households often contain widows and widowers living on fixed incomes, and they tend to lead home-centered lifestyles. They’re among the nation’s most ardent television fans, watching game shows, soaps, talk shows and newsmagazines at high rates.

49. **American Classics** – They may be older, lower-middle class and retired, but the residents of American Classics are still living the American Dream of home ownership. Few segments rank higher in their percentage of home owners, and that fact alone reflects a more comfortable lifestyle for these predominantly white singles and couples with deep ties to their neighborhoods.

**Group M4 – Sustaining Seniors**

*Sustaining Seniors* consists of nine segments filled with older, economically challenged Americans. Ethnically diverse and dispersed throughout the country, they all score high for having residents who are over 65 years old and household incomes under $30,000. Many are single or widowed, have modest educational achievement, and live in older apartments or small homes. On their fixed incomes, they lead low key, home centered lifestyles. They’re big on watching TV, gardening, sewing, and woodworking. Their social life often revolves around activities at veterans clubs and fraternal organizations.

55. **Golden Ponds** – Golden Ponds is mostly a retirement lifestyle, dominated by downscale singles and couples over 65 years old. Found in small bucolic towns around the country, these high school-educated seniors live in small apartments on less than $25,000 a year; one in five resides in a nursing home. For these elderly residents, daily life is often a succession of sedentary activities such as reading, watching TV, playing bingo and doing craft projects.

57. **Old Milltowns** – America’s once-thriving mining and manufacturing towns
have aged—as have the residents in Old Milltowns communities. Today, the majority of residents are retired singles and couples, living on downscale incomes in pre-1960 homes and apartments. For leisure, they enjoy gardening, sewing, socializing at veterans clubs or eating out at casual restaurants.

58. **Back Country Folks** – Strewn among remote farm communities across the nation, Back Country Folks are a long way away from economic paradise. The residents tend to be poor, over 55 years old and living in older, modest-sized homes and manufactured housing. Typically, life in this segment is a throwback to an earlier era when farming dominated the American landscape.

59. **Urban Elders** – For Urban Elders—a segment located in the downtown neighborhoods of such metros as New York, Chicago, Las Vegas and Miami—life is often an economic struggle. These communities have high concentrations of Hispanics and African-Americans, and tend to be downscale, with singles living in older apartment rentals.

61. **City Roots** – Found in urban neighborhoods, City Roots is a segment of lower-income retirees, typically living in older homes and duplexes they’ve owned for years. In these ethnically diverse neighborhoods—more than a third are African-American and Hispanic—residents are often widows and widowers living on fixed incomes and maintaining low-key lifestyles.

60. **Park Bench Seniors** – Park Bench Seniors are typically retired singles living in the racially mixed neighborhoods of the nation’s satellite cities. With modest educations and incomes, these residents maintain low-key, sedentary lifestyles. Theirs is one of the top-ranked segments for TV viewing, especially daytime soaps and game shows.

62. **Hometown Retired** – With three-quarters of all residents over 65 years old, Hometown Retired is one of the oldest segments. These racially mixed seniors tend to live in aging homes—half were built before 1958—and typically get by on social security and modest pensions. Because most never made it beyond high school and spent their working lives at blue-collar jobs, their retirements are extremely modest.
PRIZM NE Demographic Reference Chart

To gain a better understanding of the PRIZM NE segments, Claritas provides a series of demographic qualifiers used to describe the segments across core dimensions. These “target finder” demographics combine a bit of science and art; however, the series of descriptors below provide the broad range of predominant values for each demographic item. Unless noted, all demographic tables were created using neighborhood (Block Group) demographics and PRIZM NE assignments at the block group and ZIP+4 levels. For greater precision, demographics using household assignments provide a more distinct and purer distribution—especially for age and presence of children. Please see “PRIZM NE Segment Snapshots” for additional detail.

**Income**

Uses seven ranges, from Wealthy with incomes of $100k+ to Poor where incomes are generally well-below $25k. The national median is about $47,000 annually for all wage earners in the household. Income was classified using both the median and distribution, or range of household income by each segment, according to the following chart:

- Wealthy ... where Median Income >95k
- Upscale ... where Median Income >70k and less than next higher class
- UpperMid ... where Median Income >60k and less than next higher class
- Midscale ... where Median Income >45k and less than next higher class
- LowerMid ... where Median Income >32k and less than next higher class
- Downscale ... where Median Income >25k and less than next higher class
- Poor ... where Median Income is >20k and less than next higher class

**Predominant Age Range**

Uses eight, non-exclusive classes, from Age<35 to Age 65+ and several combinations in between. Nationally, the “baby boom” spans from about age 45 to nearly age 60 and comprises over one-fifth of the total population, versus less than 15% for Gen X and Gen Y. Predominant age was classified using the distribution, or range of population age by each segment.

**Household Composition**

Uses five classes that cover singles, couples, families (married couples with children), as well as a mixed category of mostly singles and single parents. Nationally, about one-quarter of householders are single, 51% are married and 36% of households have children (including single parents). Household composition was clas-
si/g281 ed using the distributions, or ranges for household size, presence of children, and marital status by each segment, according to the following index thresholds:

- Mostly Singles …where HH 1 Person >105 and Married Couples <70 and HHs w/Children not>105
- Families w/Kids …where “w/Kid” is direct split at PNE HH-Level (e.g., Lifestage)
- Mix, w/Kids …where HHs w/ 1+ persons Under 18 >110 and Lifestage is Family Life
- Married Couples …where Married Couples >105 and HHs w/Children >70 and <105
- Singles/Couples …where HH 1 Person >105 and Married Couples >70

**Race/Ethnicity**

Uses a collection of categories to collapse the broad range of Census race and Hispanic ancestry classes into a single indicator of ethnic diversity. Race and ethnicity was classified using the distribution, or range of Hispanic ancestry and various racial classifications by each segment, according to the following index thresholds:

- White …where White >70 (52%+)
- Black …where Black >105 (13%+)
- Asian …where Asian >150 (6%+)
- Hispanic …Where Hispanic >105 (14%+)

**Tenure / Housing Type**

Uses a collection of categories to describe the overall type of housing and whether it is owned or rented. Nationally, about two-thirds of Americans own their homes and the majority of them are single units. Tenure and type of housing were classified using distributions, or ranges for owners, renters and various types of dwelling unit classifications by each segment, according to the following index thresholds:

- Owner …where Owner >105 (or 70%+)
- Renter …where Renter >150 (or 50%+)
- Mix … where Owner <105 and Renter <150
- SFDU …where Single Unit >70 (or 46%+)
- Mobile …where Mobile Home >105 (or 8%+)
- Hi-Rise Multi …where 50+ Units >150 and Single Unit <70
Lo-Rise Multi …where Single Unit <105 and 50+ Units <105

**Educational Attainment**

Uses a collection of categories to collapse the broad range of Census educational classes—spanning elementary schools to universities. Education was classified using the distribution, or range of various levels of educational attainment by each segment, according to the following index thresholds:

- College Grad+ …where Master >150 and Bachelor >150
- College …where Bachelor >105
- Some College …where College >100 and Bachelor not >105
- H.S. Grad … where H.S. Grad >105 and College, Non-Degree <105
- Elem. School, H.S. …where Grade School >150

**Employment & Occupation**

Uses a collection of categories to collapse the broad range of Census occupational classes—spanning executives to farmers. Employment was classified using the distribution, or range of occupational classes by each segment, according to the following index thresholds:

- Exec …where Executive White-Collar >150 (18%+)
- Prof …where Professional White-Collar >105 (20%+)
- WC …where Sales & Office White-Collar >95 (36%+)
- Service …where Service >105 (15%+)
- BC …where Blue-Collar >105 (12%+)
- Farm …where Farming >150 (2%+)

**Urbanization**

Uses a proprietary Claritas model that accounts for the population density of the geography being assigned, as well as its proximity to the downtown core of the metropolitan area. There are five classes. However, in PRIZM NE, the Rural and Town classes are combined—leaving the following four classes: Urban, Suburban, Second City, and Town & Country.

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### PRIZM NE Demographic Reference Chart

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<tr>
<th>#</th>
<th>PRIZM NE Segment Nickname</th>
<th>Claritas 2004 Households</th>
<th>%C</th>
<th>Predominant Income</th>
<th>Age Range</th>
<th>Predominant HH Composition</th>
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<td>UpperMid</td>
<td>Age 45+</td>
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<tr>
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<tr>
<td>18</td>
<td>Kids &amp; Cul-de-Sacs</td>
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<td>21</td>
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<tr>
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<td>29</td>
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<td>Mix, w/Kids</td>
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<td>Suburban Sprawl</td>
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<td>Single/Couples</td>
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<td>Age &lt;35</td>
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<td>Families w/Kids</td>
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<tr>
<td>33</td>
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<td>Age 25-54</td>
<td>Families w/Kids</td>
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</tbody>
</table>

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<table>
<thead>
<tr>
<th>#</th>
<th>PRIZM NE Segment Nickname</th>
<th>Predominant Tenure / Housing Type</th>
<th>Predominant Education Class</th>
<th>Predominant Employment</th>
<th>Predominate Ethnic Diversity</th>
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<tr>
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<td>College Grad. +</td>
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<tr>
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<td>Owner / SFDU</td>
<td>College Grad. +</td>
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<tr>
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<td>Money &amp; Brains</td>
<td>Owner / SFDU</td>
<td>College Grad. +</td>
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<tr>
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<td>09</td>
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<td>College Grad. +</td>
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<td>10</td>
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<td>College Grad. +</td>
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<td>God’s Country</td>
<td>Owner / SFDU</td>
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<tr>
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<td>White, Asian</td>
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<td>Upward Bound</td>
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<td>Pools &amp; Patios</td>
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<td>College</td>
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<td>Bohemian Mix</td>
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<td>College</td>
<td>Prof, WC</td>
<td>White, Black, Asian, Hispanic</td>
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<tr>
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<td>Beltway Boomers</td>
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<td>College</td>
<td>Prof, WC</td>
<td>White, Asian</td>
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<td>Prof, WC</td>
<td>White, Asian, Hispanic</td>
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<tr>
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<td>Home Sweet Home</td>
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<td>Prof, WC</td>
<td>White</td>
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<td>College</td>
<td>WC</td>
<td>White</td>
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<td>White</td>
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<tr>
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<td>Prof, WC</td>
<td>White, Black, Asian</td>
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<td>College</td>
<td>Prof, WC</td>
<td>White</td>
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<td>Up-and-Comers</td>
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<td>WC</td>
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<tr>
<td>27</td>
<td>Middleburg Managers</td>
<td>Owner / SFDU</td>
<td>College</td>
<td>Prof, WC</td>
<td>White</td>
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<tr>
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<td>Traditional Times</td>
<td>Owner / SFDU</td>
<td>Some College</td>
<td>WC, BC, Farm</td>
<td>White</td>
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<tr>
<td>29</td>
<td>American Dreams</td>
<td>Mix / SFDU, Lo-Rise Multi</td>
<td>Some College</td>
<td>WC, Service</td>
<td>White, Black, Asian, Hispanic</td>
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<tr>
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<td>Suburban Sprawl</td>
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<td>College</td>
<td>WC</td>
<td>White</td>
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<td>31</td>
<td>Urban Achievers</td>
<td>Renter / Hi-Rise Multi</td>
<td>College</td>
<td>Prof, WC, Service</td>
<td>White, Black, Asian, Hispanic</td>
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<tr>
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<td>Big Sky Families</td>
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# PRIZM NE Segment Nickname
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<td>Families w/Kids</td>
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<td>35</td>
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<tr>
<td>38</td>
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<td>Red, White &amp; Blues</td>
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<td>Married Couples</td>
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<td>43</td>
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<td>Married Couples</td>
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<td>Mostly Singles</td>
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<tr>
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<td>Families w/Kids</td>
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<td>53</td>
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<tr>
<td>54</td>
<td>Golden Ponds</td>
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<td>Singles/Couples</td>
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<td>Back Country Folks</td>
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<td>Married Couples</td>
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<tr>
<td>58</td>
<td>Urban Elders</td>
<td>1,500,247</td>
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<tr>
<td>59</td>
<td>Park Bench Seniors</td>
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<td>64</td>
<td>Big City Blues</td>
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<td>Mix, w/Kids</td>
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Note: Classifications are based upon the 2003 Claritas Update Demographics tabulated using PRIZM NE Block Group Assignments, with respect to the actual household-level categorical tree nodes and the resulting household demographic indexes.

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<table>
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<tr>
<th>#</th>
<th>PRIZM NE Segment Nickname</th>
<th>Predominant Tenure / Housing Type</th>
<th>Predominant Education Class</th>
<th>Predominant Employment</th>
<th>Predominate Ethnic Diversity</th>
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<tbody>
<tr>
<td>34</td>
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<td>Mix / SFDU, Lo-Rise Multi</td>
<td>Some College</td>
<td>WC, Service, BC</td>
<td>White, Black, Hispanic</td>
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<tr>
<td>35</td>
<td>Boomtown Singles</td>
<td>Renter / SFDU, Lo-Rise Multi</td>
<td>Some College</td>
<td>WC, Service</td>
<td>White</td>
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<tr>
<td>36</td>
<td>Blue-Chip Blues</td>
<td>Mix / SFDU, Lo-Rise Multi</td>
<td>Some College</td>
<td>WC, Service, BC</td>
<td>White, Black, Hispanic</td>
</tr>
<tr>
<td>37</td>
<td>Mayberry-ville</td>
<td>Owner / SFDU, Mobile</td>
<td>H.S. Graduate</td>
<td>WC, BC, Farm</td>
<td>White</td>
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<tr>
<td>38</td>
<td>Simple Pleasures</td>
<td>Owner / SFDU, Mobile</td>
<td>H.S. Graduate</td>
<td>WC, Service, BC, Farm</td>
<td>White</td>
</tr>
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Note: Classifications are based upon the 2003 Claritas Update Demographics tabulated using PRIZM NE Block Group Assignments, with respect to the actual household-level categorical tree nodes and the resulting household demographic indexes.

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THE 12 PRINCIPLES OF COMMUNITY BUILDING

PERSPECTIVE
- Adapting to change by being informed
- Connect to the outside world
- Start locally; Go globally

PLACE
- Play to strengths and uniqueness
- Plan and develop over time
- Steward the environment

PEOPLE
- Leadership
- Inclusiveness (diversity and youth)
- Basic needs (education, arts and health)

PROSPERITY
- Recruit, retain, and generate wealth
- Think big and small at the same time
- Rethink boundaries

www.newcities.org

There are ways to make our communities thrive.
All it takes is putting our heads together.
# TABLE OF CONTENTS

A Note from the President .................................................. 2

Chapter 1 - Introduction .................................................. 3-7

Chapter 2 - Section A: Strategies for Effective Communication ........... 9-13

Chapter 2 - Section B: Strategies for Economic Development .......... 15-22

Chapter 2 - Section C: Strategies for Community Planning ............... 23-33

Chapter 3 - Summary ....................................................... 35-36
A NOTE FROM THE PRESIDENT

The global challenges of the 21st century present all of us with many unique opportunities to focus on our local places. The greatest resource we have is the people within our own communities. A great quality of life is built upon a foundation of dedicated and committed citizens.

Through your work with NewCity Moscow as America’s First NewCity, you have set the bar high for other communities to follow. Your passion for your city, your university, and your way of life form the basis of all of the recommendations contained within this report. With great pleasure, we give our report to the citizens of Moscow, Idaho. We are so proud of the effort and commitment that you gave to this great experiment in preparing to meet your collective future.

Sylvia L. Lovely
President, NewCities Institute
CHAPTER 1: Introduction
A great place just feels right. And Moscow, Idaho certainly does to many people. In an effort to improve the community by building on its innate strengths, Moscow was chosen by the NewCities Institute (NCI) to be the focus of its pilot project “America’s First NewCities” in 2005.

Based in Lexington, Kentucky, the NewCities Institute’s mission is to promote civic engagement in order to improve the quality of life and economic climate of America’s communities. The Institute and the City created a strong partnership in order to test community building ideas in a real-world setting. The goals of the year-long project were several-fold:

- Raise public awareness about the importance of civic engagement.
- Instill and impart a method and pattern for long-term formal involvement by the citizens in meaningful dialogue and decisions.
- Gather information about current issues directly from the public.
- Develop public dialogue about issues.
- Invigorate the present dialogue by offering challenging potential solutions to community issues.

Both Moscow’s community leaders and the Institute believed that by engaging citizens on vital issues - by listening to them and creating plans to respond to their collective voice - that Moscow would become an even better place. We believed this process would lead to a permanent change in the civic culture of the community.

Hundreds of people attended the opening celebration in Friendship Square.
community, how decision-making occurred, who had seats at the table, and how government interacted with citizens.

During this twelve-month process, with unique community building techniques including a festive project kick-off, interactive listening and Charrette sessions, reality checks, and idea presentations, three key areas for community action became apparent:

1. Improve communication between citizens and government
2. Improve economic development
3. Improve the community planning process

The NewCities Institute then helped the community with a framework for addressing each of these issues. The recommendations the Institute put forth comprise the majority of this report and can be found in Chapter 2.

Positive results and actions are already occurring. For example, the city has aggressively tackled improving communication. Some of the actions underway are listed below:

- Expanding capacity for the community government cable channel, which will allow the re-broadcast of Council and Planning Commission meetings at prime times.
- Successfully obtained a $450,000 grant to extend fiber optic infrastructure to the Alturas Technology Park. This will increase the City’s communication capabilities to businesses and citizens.
- Collecting information from the City’s third biannual citizen survey during November 2006.
- Expanding issue descriptions on council agendas.
Distributing immediate public notices on "hot button" issues.

Holding public workshops to discuss current issues.

Working on an extensive website redesign to promote better access and more efficient "e-government."

Expanding city internship programs in partnership with the University of Idaho.

Developing community-based comprehensive plan processes.

Creating regular dialogue between City officials and University faculty and students.

Initiating quarterly print and digital newsletters.

Holding weekly meetings with the assigned Moscow Daily News city reporter.

Expanding media press release distribution lists.

The City has also formed new partnerships to improve economic development. One of the most prominent recommendations from the NewCities Institute was for the region to create the Palouse Knowledge Corridor. This recommendation urged the community to work with the presidents of the University of Idaho and Washington State University as well as Latah County and the City of Pullman and Whitman County in Washington in order to better leverage the unique and vital educational assets of the region so as to compete more fully in the global economy.

In August of 2006, the NewCities Institute facilitated a first-of-its-kind meeting in Moscow where the presidents of the University of Idaho and Washington State University pledged to become stronger participants in the economic future of the region.

In October 2006, this group of partners staged the first Palouse Knowledge Corridor Economic Summit at the Schweitzer Event Center in Pullman with well over 100 citizens and key regional leaders in attendance. The purpose of the summit was to begin finding ways of formalizing and strengthening the current ad hoc working relationship between Washington State University and the University of Idaho. The results of this summit could help create more spin-off businesses from research at the two universities and generally help define the region’s brand for the global economy.
A resounding theme at the summit was finding commonalities, rather than focusing on differences. As an example, the University of Idaho President Tim White recommended that his institution create a liaison position to catalogue the services and human resources they have in order to strengthen the cooperation.

The next steps in this process are critical. An initial bond of trust has been formed and must be nurtured in order for the region to fully capitalize on the Palouse Knowledge Corridor concept.

Finally, stronger, more innovative community planning was a consistent theme throughout the process. The City is effectively responding with direct action. The long-awaited update to the community’s 1999 Comprehensive Plan has begun. The process is grass-roots focused and will incorporate neighborhood participation, citizen Charrettes, a survey, and a strict timeline for completion. The NewCities Institute helped to lay the groundwork for the successful completion of this planning process.

As these initial efforts prove, the citizens and leadership of Moscow are on the path toward becoming a NewCity.
I was impressed with the time and effort taken by the NewCities Institute to learn about the community of Moscow and our citizens. As America’s first NewCity, the City of Moscow and the NewCities Institute developed processes together. We experienced some problems at the beginning of the process, and it became apparent that NewCities would have to spend a lot of time with our citizens and leaders in order to help identify areas of concern and to effectuate meaningful change. NewCities rose to the challenge, took that time, identifying stakeholders, contacting groups and talking to community members at the beginning of the process. NewCities identified our precious resources, including the University of Idaho and Washington State University; our diverse and skilled workforce; the power of a strong sense of community; and the beauty of our region. It is empowering to have fresh eyes help us to remember why we choose to live and work here and to remind us that we need to nurture our quality of life. This clarity of vision will help us to remain the place we fell in love with.

- Nancy Chaney
Mayor of Moscow
CHAPTER 2:
SECTION A
Strategies for Effective Communication
Over the course of several months, the citizens of Moscow, Idaho have both publicly and privately expressed their views about Moscow’s future and have given numerous suggestions to staff members of the NewCities Institute. Two general themes have emerged that warrant serious consideration by Moscow’s leaders and all of its citizens.

Communication issues - both real and perceived - hinder the ability of the community to move forward effectively and address the pressing issues facing the community. Communication needs to be improved on three levels based upon comments from citizens - government/citizen communications; community/university communications; and media communications. The fundamental desire of most citizens is to be made aware of proposed changes by city government entities that affect their lives. Transparency in governance is critical if the City of Moscow is going to be sufficiently prepared to meet the ever-changing global marketplace, provide quality employment opportunities, and preserve the quality of life that its residents have come to expect.

The other theme expresses the cause of the angst and passion among the citizenry. The citizens of Moscow are rightfully proud of their heritage, their community, and their “place.” They are concerned that decisions impacting their future are being made without their knowledge. While disagreement exists about the best way to preserve and build upon the quality of life in Moscow, all are passionate about Moscow’s uniqueness and desire for an open and inclusive process to discuss these issues on the front-end of the decision-making process rather than at the point of decision.

ELEMENTS

Based on comments received from the community, it is evident that the citizens of Moscow desire more transparency in government, opportunities to participate in community life, and improvements in media relations. The NewCities Institute recommends that Moscow’s city government and community leaders consider these recommendations as a menu of options from which to choose.

Transparency in Government

- The Mayor and City Council should create a grid composed of distinct sections of the city. Engage a diverse cross-section of respected citizens in each section to be the “eyes and ears” of the city leaders to dispense and receive important information from the citizens that impacts the future direction of Moscow.
• Host workshops for citizens on how to address city councilmembers in an open meeting.

• Disclose information regarding proposed development or other "hot-button" issues to the public at the earliest possible moment within the bounds of local, state, and federal laws and regulations. The citizens of Moscow want to know about these issues in a timely manner.

• Seek to provide a forum for immediate comment and feedback about the City of Moscow’s proposals. Utilize technology to its fullest advantage. Partner with the University of Idaho to implement cutting-edge communication methods via the Internet.

• Identify partners within the community such as the League of Women Voters, Chamber of Commerce, or other civic organizations to host these workshops.

• Utilize all traditional methods of communication: print, broadcasts, flyers, inserts, city website, etc.

• Create an inquiry log where citizens can log on to the city’s website for quick and/or in-depth information about a particular meeting or issue.

• Issue "Write Bites and Sound Bites" for agenda items. People live busy lives. Provide an easy format for citizens to receive the bullet-point version about items that will be discussed in public meetings.

• Perception vs. Reality - Communication problems present a very real challenge and threat to the future of Moscow. In the end, it does not matter if the problem is real or perceived. If people think that it is a problem, it is. A genuine ongoing effort must be made by every city official to be as transparent in public decision-making as possible.

• Establish strategic timelines to discuss projects that will significantly impact the community and its quality of life and provide the public with as much advance notice as possible.

• Set up info tables utilizing city staff/volunteers in unconventional locations such as Farmer’s Market, ball fields, arts events, etc., to engage the public in surveys or informational discussions - a great way to "connect" to citizens who would not normally attend a meeting.

• The Boards and Commissions Fair was an innovative way to recruit prospective board members and to inform the public about functions of boards and commissions.
Community/University Communications*

- Incorporate academic initiatives of the University of Idaho into community-wide strategic partnerships. Examples:
  - College of Business - Entrepreneurial Internships with local business partners.
  - College of Architecture - Planning and Architectural practicum with Moscow Planning Commission, local neighborhood groups, and civic organizations.
  - Service Learning - Integrate academic experience with real-world experience in areas of university life that are not as engaged in community life.
  - Student Engagement - Invite/involve the University of Idaho/Student Government Association and Office of Student Affairs in one-shot projects to address specific unmet community needs.
- Seek input from faculty/students regarding critical community issues that directly impact both the university and the city such as transportation, walkability, safety, etc.
- Continue to build upon the innovative partnerships that serve the interests and needs of both entities such as the Moscow Policing Initiative, the Fire Safety collaboration, Emergency Health Services contract, and existing transit partnerships.
- Recognize that faculty members and students are also residents of Moscow. They have a vested interest in preserving and improving the quality of life as well as integrating their interests, talents, and abilities into the fabric of community life.
- Address three areas of mutual concern to the residents of Moscow and the faculty/students at the University of Idaho. They include sustainability, transportation, and big-box development.

* This report acknowledges the continuing initiatives and successful partnerships between the City of Moscow and the University of Idaho. The collaborative opportunities, however, should continuously be exploited to the benefit of both the university and the community.

Hundreds of people learned about the NewCities project at the Moscow Farmer’s Market.
Media Strategies

- Start up quality newsletters (Write Bites and Sound Bites), e-letters, mailers, blogs, etc.
- Rebroadcast noteworthy meetings whenever possible.
- Add "City Monthly News Page" to the city’s website.
- Include a "Law Enforcement" update on the city’s website.
- Utilize the local newspaper’s open editorial policy to give advance notice and dates of important events and meetings.
- Provide background information to the media in order to present additional perspectives.
- Incorporate the University of Idaho and local community radio stations and newspapers to inform the university community about important events and meetings, especially those that impact its community.

CONCLUSION

Communication not only addresses how information is disseminated to the public, but also incorporates listening and being receptive to others’ ideas. Leaders must make decisions - sometimes difficult and challenging decisions - and then effectively implement them. This responsibility is the essence and price of leadership.

The citizens of Moscow want to feel that their comments on civic life and public policy decisions are valued and considered. Public discourse is healthy. However, the citizens of Moscow need to return to civil discussion where citizens can disagree with one another and remain agreeable. In the end, all citizens may not be happy, but they will have confidence that every consideration was given to their opinions. Public service and leadership do not constitute a popularity contest - unless it is on Election Day. What occurs between Election Days constitutes the hard work of being a public servant, listening to the many sides of an issue, and choosing the future course of Moscow. Effective communication - on many levels and with diverse constituencies - will insure that the public continues to have faith in its government and trust in its leadership.

Dozens of small group meetings were held to learn about the community.
I was somewhat skeptical of NewCities a year ago. In my 14 years as an elected official in Moscow government, I have heard many consultants profess that they could help us find the “answers” to provide better government. NewCities never promised to do anything except help us to identify ways to bring our citizens back into City Hall, whether by coming to meetings, communicating with staff or providing input through neighborhood meetings. After watching NewCities interact with our citizens, stakeholders, elected officials and staff, my skepticism is gone and I am looking forward to working together to make Moscow and our region an even better place to live and work.

- Marshall Comstock, former Mayor of Moscow
Moscow, like all communities, is facing an economic development landscape that is dramatically different today than in previous decades. Powerful global and national economic trends dictate that communities and regions practice economic development in fresh, innovative ways in order to position themselves for continued success. Moscow seems well poised to take advantage of the economic realities of the 21st century; however, a successful economic development strategy must honestly assess the current challenges of the community, establish broad criteria for developing and evaluating the strategy, understand the changing dynamics of the modern practice of economic development, and create a powerful vision of the long-term economic potential of the region and the steps necessary to achieve that vision.

The Challenges

Moscow faces several challenges concerning its economic future. Despite enjoying a high quality of life, citizens have expressed deep concern about the lack of jobs. In NewCities Community Conversations and Charrettes, NewCities 2005 High School Student Survey, and the 2002 and 2004 Moscow Community Surveys, concerns about jobs have been a recurring theme.

The statistics are troubling and show room for improvement. In both the 2002 and 2004 Moscow Citizen Surveys, only 21 percent of respondents rated job opportunities as "good" or "excellent." This relatively low percentage, unchanged between the 2002 and 2004 surveys, indicates that many citizens are concerned about this issue.

Over the ten year period from 1994 to 2003, Moscow’s per capita income increased an anemic 32 percent, and, adjusted for inflation, real income during that time period increased less than 1 percent per year.

Moscow’s Comprehensive Plan states that the city is “primarily an agricultural and rural residential area,” while also having some retail opportunities as a regional hub.

Educational employment was the only employment sector to increase over the last decade, indicating a need to diversify economic development efforts.

Globalization

The growing integration of economies and societies around the world must also be a concern among citizens of Moscow. Globalization is a force so powerful that no area is isolated from its effects - both negative and positive. According to
Robert Reich, professor of social and economic policy at Brandeis University's Heller Graduate School, globalization is not a zero-sum activity, but is completely interconnected - materials, design, manufacturing, marketing, etc. Surprising to many, 40 percent of America's imports are actually from American companies operating overseas.

The real challenge of local economic development in a global world is adding value. The central question should become, "Can your people add value regardless of who employs them?" The absolute truism of economic development in a global economy is that "What we earn comes back to the value we add," such as skills, brainpower, and creativity.

Economic Development Approaches

Reich also offers two different basic strategies for economic development: the "low road" and the "high road." Taking the low road strategy says to capital, "We're cheap. Come here because our land, labor, energy, etc. are cheap." Unfortunately, in a global economy, there is always someplace cheaper, and the low road strategy eventually leads to a lower standard of living. It is, in effect, a race to the bottom.

Conversely, the high road strategy says to capital "We are more productive. Bring your capital and jobs here because you will be more productive." The high road strategy invests in human capital and provides the best return on that investment. Moscow must adopt a high road strategy.

Changing Location Factors

Yet another challenge in the modern practice of economic development is changing trends in location factors. According to the Milken Institute, location factors are ranked and prioritized differently today than in the past. Comparing the "Traditional Business Costs" list to the Milken Institute's list of "Today's Business Needs" reveals the changes:

<table>
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<th>Traditional Business Costs</th>
<th>Today's Business Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax structure</td>
<td>Proximity to excellent research institutions</td>
</tr>
<tr>
<td>Compensation</td>
<td>Access to venture capital</td>
</tr>
<tr>
<td>Space</td>
<td>Educated, skilled workforce</td>
</tr>
<tr>
<td>Capital</td>
<td>Networks of industrial groups and suppliers</td>
</tr>
<tr>
<td>Business climate alone</td>
<td>Business climate and quality of life</td>
</tr>
</tbody>
</table>

Conversely, the high road strategy says to capital "We are more productive. Bring your capital and jobs here because you will be more productive." The high road strategy invests in human capital and provides the best return on that investment. Moscow must adopt a high road strategy.
networks of industrial groups and suppliers will need to be established. Generally, Moscow meets the understood needs of business today and the economic development strategy as proposed.

**Regional Approaches and Political Sustainability**

Two structural failures can also occur in the practice of economic development - mismatched realities and mismatched time frames. Mismatched realities include both the political and economic aspects of economic development. According to Edward Hill, a professor and distinguished scholar of economic development at the Maxine Goodman Levin College of Urban Affairs of Cleveland State University, "Cities need to recognize that the real economy is regionally based. The city and state are administrative and political geographies and not economic geographies." Simply stated, economic opportunity does not recognize city limits, state borders, or other political boundaries. Economic opportunity is drawn to regions. Moscow must work cooperatively with others in the region to achieve a viable regional strategy for economic development.

The other failure, mismatched time frames, focuses on business time and economic time not coinciding with political time. The economic development strategy cycle does not neatly match the election cycle. It is essential that leadership recognizes the importance of adhering to an economic development strategy over time - and over multiple election cycles. Continuity of strategy and approach is critically important.

**Advantages Exploited Over Time**

Finally, it is important to recognize that small regional advantages, exploited over time, will produce dramatic results. Studies have shown that many communities have grown and prospered because of specific advantages that have been strategically utilized over a long period of time. The power of these advantages, if applied in a focused, sustainable fashion, should not be underestimated. Moscow has tangible advantages that a systematic, disciplined approach will reward.

**Criteria for the Economic Development Strategy for Moscow**

In crafting the economic development recommendations for Moscow, the following criteria were developed to guide the economic development strategy. A successful strategy must:

- Acknowledge the modern realities of economic development.
- Reflect the values of the community and region as communicated during the NewCities initiative: strong sense of place, care of the environment, quality of life.
- Acknowledge the realities of infrastructure/road limitations that preclude traditional industries requiring large amounts of raw materials or finished goods to be shipped.
• Protect and enhance environmental and social resources.
• Effectively utilize the great resources of the region: research capacity, brain power, quality of life, and the beauty of the Palouse region.
• Be bold enough to capture the imagination, stir action, and create a long-term, sustainable vision for the region.

Resources Available

Moscow enjoys numerous advantages that can be strategically leveraged. These advantages lend themselves to a high road economic development strategy and are consistent with the demands of global and national economic development.

Among Moscow’s considerable resources:

• Highly skilled and educated workforce.
• Quality of life.
• Beauty of the Palouse region.
• Arts community with national attention as one of the “100 Best Small Arts Towns in America.”
• University of Idaho, a Top 50 comprehensive research university recognized as one of the “most wired” universities in America. President Tim White is committed to the community and the region.
• Washington State University, another well-respected, comprehensive research university located only eight miles away. President V. Lane Rawlins is equally committed to the success of the region.
• Pullman-Moscow Regional Airport. With a runway of 6,731 feet, this conveniently located facility can be used by corporate aircraft, reducing any concerns about travel or isolation. Moscow and the region are also served by the Lewiston-Nez Perce County Regional Airport and enjoy relatively easy access to Spokane International Airport.
• Existing economic development agencies such as the Latah Economic Development Council and the Moscow Urban Renewal Agency are well established and can provide local expertise and strategic assistance.
• Progressive, committed leadership.

The Two Primary Strategies

The NewCities Institute, after carefully evaluating the challenges and potential of Moscow, determining available resources, learning community values, applying current principles of economic development, makes the following two recommendations for the future economic development strategy for Moscow and the Palouse region.

1. Create the "Palouse Knowledge Corridor"

With the exception of Research Triangle Park in North Carolina, we are unaware of another area of this size and rural character in America where research
capacity, brain power, and quality of life are as concentrated as they are in the Moscow-Pullman region. The Palouse Knowledge Corridor should be the region’s worldwide marketing thrust, capitalizing on its many advantages.

The Corridor could be either conceptual or physical, along Highways 8 and 270 between Moscow and Pullman using the University of Idaho and Washington State University as anchors. The conceptual Corridor would be a completely valid marketing strategy without additional physical changes to the sensitive Corridor between Moscow and Pullman. The Knowledge Corridor’s goal is to build clusters of innovative companies around the research and technologies developed by the two universities.

Implementing the Knowledge Corridor will be an act of remarkable symbolism and synergy. Historically, these two universities seemingly have stood back-to-back with the University of Idaho looking south to Boise, and Washington State University looking west to the Emerald Coast and Olympia. Paradoxically, by turning toward one another, each university and its host community can achieve a greater relevance in the economic super region and with the universities’ funding entities.

To initiate the Knowledge Corridor will require considerable buy-in and cooperation from numerous institutions and stakeholders. Specifically, we recommend creating a Presidents’ Commission on Economic Development co-chaired by each university president. This commission could provide the framework for a united regional front and ensure that each university’s mission and work strengthens the local economy.

Further, Moscow and Pullman, as well as each university, must plan collaboratively to adequately develop, fund, and implement an innovative marketing campaign. In addition to the Presidents’ Commission on Economic Development, the two cities and universities need to work together to achieve the following:

- Connect to the “super region,” the northern hemisphere, and the world for markets and investment.
- Create infrastructure - both hard (water, sewer, roads, etc.) and soft (broadband and other telecommunications).
- Focus on relationship building, identify common economic opportunities, and anticipate the inevitable need for dispute resolution.
- Cooperatively brand the region for business unity.
- Improve airport capacity for instrument landing service (ILS).
- Ensure that local schools are on the “same page” not only for college bound youth, but for technical professions as well so that citizens are prepared for the jobs resulting from the Knowledge Corridor.
- Promote entrepreneurial initiatives resulting from the research activities of the universities.
The potential for cooperative opportunities is as unlimited as the imagination will allow. Eventually, should the Knowledge Corridor become as successful as it is envisioned, other innovative approaches could blossom from this framework (e.g. revenue sharing between political subdivisions in different states, joint grant applications by UI and WSU, specific technology incubators, etc.).

2. Value the "Local to Moscow" Economic Opportunities

A successful economic development strategy must acknowledge and encourage existing businesses, artists, and entrepreneurs. These local businesses provide the foundation for the local economy and should be nurtured and grown. Indigenous materials can be used effectively. Local government and existing economic development agencies should develop specific strategies to assist existing small businesses and prospective entrepreneurs.

- Help expand existing businesses by reducing regulatory barriers.
- Sustain rooted institutions such as hospitals, civic clubs, etc.
- Ensure that local schools are on the "same page" not only for college bound youth, but for technical professions as well.

Outcomes

Pursuing the dual strategies of developing the Palouse Knowledge Corridor and valuing the local existing economic opportunities with focus and determination will lead to tangible, beneficial outcomes for Moscow, Pullman, the University of Idaho, and Washington State University. There will always be obstacles - both real and perceived - standing in the way of significant regional cooperation. The leadership challenge for all involved will be to look beyond temporary, short-term obstacles in favor of the long-term benefits of true regional cooperation. If sustained over time, the outcomes of the dual strategies include:

- World class marketing strategy effectively matching the specific advantages and values of the region with the realities of a global economy.
- Enhanced cooperation between the University of Idaho and Washington State University.
- Greater cooperation between Moscow and Latah County, Idaho and Pullman and Whitman, County, Washington.
- High-end job creation.
- Appropriate recognition of existing businesses and talents.
- Value added use of indigenous materials.
- Protection of the values that are important to the residents of the region.
- Importantly, Moscow, Pullman, the University of Idaho, and Washington State University will enjoy a considerably higher profile.
and importance in the "super region."

The Palouse Knowledge Corridor combines the remarkable resources of the Moscow-Pullman region with the realities of the 21st century. Implemented properly, it will result in increased economic activity of the two communities and universities and significantly elevate their profile and importance in the super region. Further, the Palouse Knowledge Corridor concept, properly implemented, will enhance, not diminish, the importance of the existing regional business community.

Sources


Edward W. Hill, professor and distinguished scholar of economic development at the Maxine Goodman Levin College of Urban Affairs of Cleveland State University. Remarks taken from his speech, "Nine Rules for the Practice of Economic Development."

Milken Institute’s list of New Business Needs.

Robert B. Reich’s speech at the 82nd Annual Congress of Cities and Exposition. Charlotte, NC., December 8, 2005.
Chapter 2: Section C
Strategies for Community Planning
Moscow has a rare opportunity at the beginning of the 21st century to consciously shape its destiny. Too many cities in the United States do not have this opportunity. Their destinies are being determined by unbridled market forces, individualistic decisions, rabid politics, or globalization. Moscow, because of its past successes and the diligence, creativity, and pride of its citizens and institutions, can forge its own path. By engaging those citizens in the model created by the NewCities Institute, the city can define its values and create innovative solutions to protect and promote those values.

The process of creating a NewCity is not a simple "either-or" system. It isn’t about making decisions to limit or expand a certain type of growth. Creating a NewCity is a much more detailed, involved, and even subtle practice of weighing choices and their consequences, not just for today but long into the future as well.

Moscow’s citizens have shown a great desire to be engaged in this process. They have the desire and integrity to shape the city’s future for the good of all. Along with the other successes of the NewCity Moscow project, the discovery of these deeply held values must rank at the top.

The NewCity Diagram

The NewCity Moscow project was an exercise in process, not outcomes. We believe that if the community adopts the lessons and actions in the diagram below, that it can create outcomes that will be acceptable to a majority of citizens. The value of this diagram lies in its versatility: it can be used on all matters, both large and small, in the community.

The "NewCity" diagram.

This diagram begins with the assumption that a NewCity cannot be created without the engagement of citizens. Engagement of citizens requires effective communication based on a foundation of trust. This communication effort is outward from the city officials to the public at large.

The next step is another communication effort, this time based on listening to citizens. If the entire process is to be successful, this two-way communication must occur at the beginning.
Unfortunately, many communities never make it beyond this effort at communication. Trust and sincerity may be lacking, or it may even be a simple lack of work on everyone’s part. But often, even if a community does make it past this stage, and a free dialogue is created, there is a lack of understanding of what to do next. This is where the importance of empowering citizens to shape their collective future becomes vital. The mere act of communicating isn’t enough: citizens must believe they have - really do possess - the power to determine their destiny. Empowerment can take many forms; the NewCities Institute recommends extensive use of the Charrette process. This process enables citizens to literally draw a desired future for their community. Doing so enables - empowers - them to take personal responsibility for accomplishing that future.

The result of the Charrette process is a shared vision of the future. Found within this vision are the core values of the community. Once distilled, these core values become the bedrock on which to base innovative planning solutions to achieve the visions of the community. It is important to stress that many “accepted” planning strategies in communities should be challenged by judging their worth on the effects they have on the community’s core values. If they can be seen as protecting and enhancing those values, then they should continue to be utilized. If they cannot, the community must push for innovative alternatives, even if they have “never been tried here before.” Implementation, of course, is the outcome of planning innovation. This process should not occur unless there is a commitment to implementation.

And then the process begins anew.

SECTION I: Core NewCity Moscow Planning Recommendations

During the twelve-month course of working with the community, it became apparent that the update of the 1999 Comprehensive Plan is vitally important. To that end, NewCities Institute staff and city officials have worked to create an outline for accomplishing that update. Our key recommendations to the community are:

- Establish a definitive, short-term time frame for completion - no more than 18 months.
- Work diligently and aggressively to ensure the broadest possible participation by diverse segments of the community.
- Establish funding for professional consulting to assist with technical details of the plan.
- Consider the use of a detailed and statistically valid written survey to help gather information.
- Adhere to the communication strategies developed by the NewCities Institute to keep the community informed.
• Utilize the Listening and Charrette process, assisted by technology, to develop collaborative solutions to specific planning issues such as development near downtown, along the commercial corridors and at the fringes of the city.

The City has already taken great strides towards accomplishing these recommendations. A detailed strategy has been developed in conjunction with the NewCities Institute and has received the approval of the Chairman of the Planning Commission, the Mayor and Council President.

The key principle underpinning each of the core recommendations is public participation. The values of this approach are several-fold:

To Enhance the Quality of Planning

Obviously, a community’s planning professionals, with their training and experience, are vital to the local planning process. However, they cannot and should not be expected to anticipate and recognize every variable that may affect the community. This is the priceless value of an engaged citizenry.

On the other hand, residents may lack an understanding of the principles and processes of planning or of the broader implications of decisions. In the long run, programs and projects that derive from an informed public, guided by professionals, are likely to be more creative and locally appropriate than those where the public is excluded from the planning process.

To Move from Confrontation to Collaboration

At planning commission and city council meetings, disputes over planning issues generally result when groups or individuals approach a project with a narrow perspective considering only questions of immediate impact and often mixed with personal agendas. A proactive planning process, which includes a well-designed public involvement component, encourages individuals to consider the big picture questions of overall community impacts, both positive and negative: such a process allows the community to make decisions based on shared goals and values.

To Ensure Swift and Efficient Project Implementation

Public confusion and opposition can result in the expensive slowing or stopping of good projects. Community-based plans that have developed strong public buy-in through participation are less likely to experience such impediments and their associated community-wide costs.

To Ensure Continuity of the Community’s Vision

Mayors, city councilmembers, planning commissioners, city managers, and planners come and go. Thus, even the best of plans are at risk of being dismantled over time. By involving residents in the planning process, the community can ensure that plans will have a long-lasting and stable constituency.
SECTION II: The 2005 NewCity Moscow Listening Session and Charrette Process

This section demonstrates the procedure used to conduct a successful public engagement process in Moscow beginning in September 2005 and ending in March 2006. Again, the goal of this was to demonstrate how public participation can work - not on any specific outcomes. The outcomes discussed below represent an application of innovative solutions to the range of issues discussed by the participants in the workshops.

In order to gather as broad a range of community involvement as possible, the NewCity Moscow process employed a two-pronged approach: a community Listening Session and a Charrette. The purpose of the Listening Session was to give citizens an opportunity to have their ideas for the city heard by others in an open format. Over 50 Moscow citizens attended this session.

The Charrette process is a technique used to involve members of the public more directly in exploring local and regional land use planning issues. Residents are, in effect, put in the driver’s seat and challenged to devise visions for enhancing and protecting the community’s economic, environmental, and social well-being. Participants of these Charrette sessions benefit from an increased understanding of the land use and development issues facing their community. Armed with this knowledge, a community is more likely to make wiser community planning choices in the future.

During the NewCity Moscow Charrette, approximately 50 participants were divided into small groups of six to ten people. Each team was given a map of the community, a "Dream Book" of photographic examples, and worksheets. The team members were challenged to juggle the competing demands of various viewpoints in order to create a vision of the community that is a reflection of the citizen’s core values.

All participants were challenged to adhere to the following norms:

- Speak one at a time.
- Make sure that all participants’ opinions are heard.
• Respect the opinions of others.
• Avoid spending a disproportionate amount of time on a single issue.
• Do not treat the session as an opportunity to preach or editorialize.
• Outcomes should be made for the good of the community, not based on personal interests.

The teams were then given approximately three and one-half hours to work to create a desired outcome. Once that time limit expired, one team member was asked to present each team’s work. At the conclusion of those presentations, a group discussion was held to summarize the proposals and to look for the “big picture” ideas in each. Before the meeting was adjourned the group agreed on these ideas. The NewCity Moscow participants agreed that these six key areas, all interrelated, are fundamental to improving quality of life:

• A New Comprehensive Plan and Improved Codes
• Transportation
• Resource Conservation
• Economic Development
• Heritage/Identity
• Communication

It was agreed that solutions cannot be found to “solve” one area without considering the consequences on all the rest.

The NewCities Institute then began a process of sifting through all the comments gathered at the Listening Session and the Charrette. The purpose of this effort was to find the common themes that could be woven together with a set of recommendations to be used to guide the community’s actions. The common themes identified were:

• Cherish the core values: Keep the small town atmosphere.
• Bridge the town-gown divide.
• Grow without sprawl.
• Tame the car.
• Get serious about getting green.
• Understand the financials.
• Keep your eyes on the prize.
• Make planning fun.
• Communicate the vision and listen to the people.

The following recommendations then were paired with the common themes to create an example of the end result of the community building process. These recommendations should not be taken as the only way to achieve the community’s desires. Rather, they should be seen as examples of the kinds of innovative thinking that can be applied to those desires.

Community Desire: "Cherish the Core Values: Keep the Small Town Atmosphere"
Possible Actions

• Stake the social and economic future on the "New Frontier" to keep Downtown Moscow the heart of the community.
• Focus new development such that a majority of new residents will live within a walkable radius of downtown.
• Preserve the views of countryside from Main Street.

• Create a greenbelt to focus growth inward.
• Keep the skyline - even if it is with new buildings.

Community Desire: "Bridge the Town-Gown Divide"
Possible Actions

• Humanize the "DMZ" that currently exists between downtown and campus with dense, mixed-use development that creates inviting public spaces.
Community Desire: "Grow Without Sprawl"

Possible Actions

Re-imagine the "Strip"

- Reclaim parking lots and single use buildings for dense, mixed-use, vibrant, and pedestrian-friendly new growth.

Make new growth great growth

- Adopt a form-based code to govern design of all new development areas.

Community Desire: "Tame the Car"

Possible Actions

- Link land use and alternative transportation - develop places that encourage walking, biking, and transit.

Community Desire: "Get Serious About Getting Green"

Possible Actions

- Join the U.S. Mayor’s Climate Protection Agreement.
- Prepare and implement a Green Infrastructure Plan.
- Design and implement alternative stormwater management regulations.

Community Desire: "Understand the Financials"

Possible Actions

- Conduct a cost of community services study to determine cost-revenue impacts of new growth.

- Implement a "living streets" program, including sidewalks on every street and traffic calming.
- Conduct a Transportation Demand Study to determine how car trips may be reduced.
Community Desire: "Keep Your Eyes on the Prize" - brainpower, not sprawl, is the key component of 21st century economic growth

Possible Actions

- Create a "President’s Commission on Economic Development, co-chaired by the presidents of the University of Idaho and Washington State University, to leverage the full economic potential of the Universities.
- Create a "Knowledge Corridor" between Moscow and Pullman - a brand identity that positions the region to succeed economically in the 21st century.

Community Desire: "Make Planning Fun"

Possible Actions

- Build a LIVING, "integrated" plan based on creating and connecting the "whole" community.
- Change the process from confrontation to collaboration - get citizens involved at the earliest stage and use the Charrette process to build consensus.
- Utilize the free market to facilitate the achievement of the city’s planning concepts.

Community Desire: "Communicate the Vision and Listen to the People!"

Possible Actions

- Send a copy of the integrated plan to every household in the city.
- Hold general neighborhood meetings outside of city hall throughout the year.
- Host monthly local access TV/web cast show on planning issues.
- Staff a planning booth at the Farmer’s Market once a month to distribute information and receive comment.
- Improve website to allow interactive capabilities - add a FAQ section.
- Ensure that commission agendas are widely available - in print and on TV.
- Create information kiosks downtown and elsewhere.

It is important to note that these common themes were developed from only those citizens who participated in the process. They have never been presented as representing every citizen of Moscow. Rather the purpose of the exercise was to demonstrate how to utilize the NewCity Diagram to achieve locally desired results.
SECTION III:
Key Lessons from the NewCity Moscow Civic Engagement Effort

Patience and persistence are the key components to this success.

Nothing of lasting value occurs immediately. And nothing in civic life is ever "completed."

People want to talk with each other about the community.

Participants were enthusiastic about the community conversations that often continued personally and digitally after the events were over. Even citizens who did not participate directly or who were against the process entered into these discussions. The community should continue to tap this energy on a regular basis.

It appears that the NewCity Moscow process has helped to repair some community relationships. The dialogue established among some participants allowed them to resolve conflicts and increase trust, and may help lead to the creation of new alliances for solving problems cooperatively.

Bottom Up

Turning over substantial amounts of power to stakeholders is required for the process to be successful. It is doubtful that citizens will become engaged in Moscow if there is not the apparent desire for the outcomes to be derived from the "bottom up."

The composition of the group is important.

There were a number of "outside the group" issues that raised questions about the legitimacy and significance of public involvement. Some people felt that the participants in the NewCity Moscow process were unrepresentative, were often missing important interests, and sometimes excluded the most conflictive stakeholders. While it is argued that the NewCity process was simply the beginning of an evolving line of public participation through which everyone might gain from substantively improved decisions, it was perceived by some that many of the benefits of these participatory processes accrued only to participants. For the most part, the wider public was unaware of the processes, limiting opportunities for education and trust formation to the participants themselves.

Identifying uninvolved and untapped members of the community will make for a successful community conversation. The materials and process must be constructed so that all who attend can find their way into the discussion.

Over time, a more "modular" approach to public participation may help resolve some of these problems. Different parts of the community-driven decision-making process may require different people to be involved. The people who are "right" for the initial input phase of a planning project, for example, may not be the same as those that should be involved in the implementation phase. This suggests an approach to participation, where efforts to
gain participation may be tailored to the particular tasks at hand as programs evolve.

The Level and Quality of Participation by the Public will be no Better than that of City Leaders and Staff

Moscow's city officials and staff are honest, enthusiastic, energetic, fair and knowledgeable yet the public will be able to tell if city leaders and staff are half-hearted in their support of a public participation process. The culture of both the government and the community needs to continue to move toward encoding positive public participation in their collective DNA. This way, every issue of significance can be addressed in a collective, collaborative way.

Communication is key to this effort. Open, two-way communication between citizens and government will create the bedrock of trust needed to move forward.

Understanding the "Loops of Engagement" is Important for Success

Coming together to start a conversation and build trust comprise the first loop. Moving forward to convert dialogue into concern-driven activity and reaching out beyond the core group make up the second loop. The third cycle is sustaining the momentum – building the infrastructure and the capacity of the stakeholders to keep the engagement alive.

Community Building Should be Fun, but It Isn't a Game

It is perceived by some that Moscow moves from issue to issue, with few collaborative resolutions of community-wide importance. The reason for this may be an addiction to the "gotcha" mentality, where important issues are tried by ambush and open confrontation. Some people find this invigorating, even fun. Yet it is safe to say that a majority find it exasperating, and in consequence, tune out. If this continues, Moscow will not achieve what most profess to want.

Consensus is a Noble Ideal, but at Some Point Leadership Requires a Decision

Consensus decision-making and alternative dispute resolution enjoy widespread interest today; both have a part to play but neither are panaceas. Consensus building is fundamental to most public participation programs, but when consensus is established as a norm for leadership, everyone is given a veto. Single interest groups are likely to use it and perhaps abuse it. If the public participation procedures are followed completely and there has been no complete consensus reached, then Moscow civic leaders should be prepared to make decisions based on the best available evidence, even in the face of criticism.
The NewCities Institute is making a bold move to encourage communities across the nation to challenge the way that they think about themselves. Whether the issues are communication, economic development or growth and development the message is clear; citizens want meaningful information and input into their government and on how decisions are made. NewCities was very helpful in allowing us to gain an outsider’s perspective on our city processes. I look forward to implementing the processes and ideas for citizen participation that we have developed with NewCities over the past year. Moscow’s partnership with the NewCities’ Institute has helped identify ways to engage the citizens in their government.

- Gary J. Riedner,
Moscow City Supervisor
CHAPTER 3: Summary
Transformational change in the global marketplace and the reality of globalization should give the residents of Moscow, Idaho pause to reflect upon the paramount importance of preparing for the future. Change is never easy; however, it is inevitable. Intentional choices to strengthen the local economy, plan for the increasing pressures of growth, and elevate the level of public discourse and communication have the potential to firmly position the city of Moscow to meet these challenges.

The processes utilized by the NewCities Institute to engage citizens in an open dialogue of ideas and ideals can serve Moscow for many years to come. Immediate successes have already been realized. These successes should be celebrated and embraced.

At the same time, the more difficult decisions in the long-term to insure economic prosperity and pragmatic growth will require courage, leadership, wisdom, and vision. NewCity Moscow represents a bold step to confront these challenges and the opportunity to move forward with confidence. As the first community in America to join the NewCities Institute in this experiment of citizen engagement, the leaders of the city of Moscow have shown that they are not afraid to confront challenges and seek solutions.

The most daunting task remaining is to exemplify the fortitude to move forward and begin to make the tough choices necessary to insure that future generations can enjoy the quality of life and economic prosperity that heretofore have been a mainstay and expectation of this community.

The collective talent, knowledge, and resources embodied in the citizens of Moscow represent its greatest asset. Nothing is beyond the realm of possibility if the leaders and citizens of this community say “Make it so.” As we move forward, Moscow, Idaho will forever be America’s First NewCity.
There are ways to make our communities thrive. All it takes is putting our heads together.

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