

Meeting Notes
Henry's Fork Watershed Conference
January 19, 2010

The first meeting of 2010 was held in Rexburg at the Best Western Mountain View Inn conference center. The topic of the meeting was "Economic Impacts of the Recession in the Watershed, Part 1: Real Estate Development and Recreation and Tourism."

The meeting began with introductions and community building by Steve Trafton. Many comments were made regarding the news that the state has tentative plans to dissolve the Idaho Department of Parks and Recreation and place the oversight of the states existing parks under Idaho Department of Lands. The decision has huge ramifications for Harriman State Park – Idaho's first park. When the Harriman family signed the deed over to the state it established that oversight would come from a state park agency.

After community building the meeting commenced and followed the outlined agenda. First on the agenda was Paul Bowen from the Upper Valley Realtors Association. Mr. Bowen described how real estate has a big impact on the economy from building materials to total number of jobs in construction. According to Bowen, foreclosures in Fremont and Madison counties in 2009 were up significantly from 2008. Foreclosures in Fremont County in 2008 were \$4,832,295 and \$9,471,101 in 2009. Teton County Idaho for 2008 was \$21,347,589, and \$148,830,395 for 2009.

Bowen said the supply of available housing is far greater than the demand, driving prices down, and that the availability of credit is also down. On a brighter note, he noted that interest rates and government incentives make it a buyer's market. Bowen said that more jobs will equate to more credit to help people finance new homes. Until then, prices could continue to drop while more and more properties remain listed. Bowen did say that he believes that next year will be a little better than last because the trend in housing is up nationwide and that should lead to a recovery.

Second on the agenda was Kathy Rinaldi, Teton County Commissioner. Kathy explained how Teton County has historically been a "boom or bust" economy with development driving the market. She described the increase in recorded subdivisions over the past several years but the county is left with a 75 percent vacancy with foreclosures looming and infrastructure half-developed. Many of the finished structures have become dilapidated from lack of residency and developers have abandoned their projects because of bankruptcy. Teton County had nearly a \$1million cut in their budget in the first quarter of 2009 and saw property tax collection down from 97 to 88 percent.

Rinaldi gave a synopsis of what direction the county may take now. She said they are looking for economic sustainability and will look at new trends for housing, demands in the market, and a focus on long-term community vision. She reported that they have fast-tracked the comprehensive plan so that it is more in line with the communities' vision and the economic consequences.

After a break, Mike Lawson who manages a guiding and angling shop in Island Park, gave his perspective on the economic impacts on the guide shops in the area. He said that he was braced for a decline in visitors to the shop and that he was pleasantly surprised when the season ended well. He attributes much of the trend to the fact that fishing was good this year and gave thanks to the many parties involved in drought management planning on the Henry's Fork. Lawson gave the group details about how the guiding and outfitting business works in Idaho and how it differs from neighboring states. One of the biggest differences is that Idaho requires licensed guides to work for an outfitter, not independently. Lawson said that in terms of contributing to the economy, his clients spend money in grocery stores, eating establishments, and motels and lodges which creates jobs and commerce for all the surrounding communities.

As far as the decline in the economy, his business was down 11 percent last year. His sales representatives have reported declines in the 20-25 percent range. Putting statistics aside, Lawson reports that good fishing reports or bad fishing reports can drive the business up or down quickly as news, with the aid of technology these days, spreads very fast.

Mike closed his comments on the topic of Harriman Park. He said that there are many factors that can be considered to help generate funds within the park including a special charge to fish the lakes. He also said that more could be done to collect fees from visitors.

Tamra Cikaitoga from the Fremont County Parks and Recreation Department spoke to the group about how the slowing economy affects recreation. She commented that over the past 7 years she has been able to secure \$300,000 in grants for recreational programs. Much of the funding that is received for Parks and Recreation is from user fees and some of that money goes directly back into the county recreation department. Tamra reported that snowmobile registrations were down 1376 in 2009 from more than 11,000. This is a loss of \$35,000. She said that visitors to Johnny Sack Cabin and Mesa Falls were down and contributed that to fewer people traveling as well as fewer school groups.

Tamra spoke briefly of the construction at Ashton Dam and the subsequent activity that will be curbed at the reservoir. She also gave the group an update on some of the fishing access sites and upgrades the county has planned when funding becomes available.

Cathy Koon from the St Anthony Chamber of Commerce was scheduled to speak but was unavailable. If time allows, she will be scheduled for a later meeting.

The meeting adjourned at 12:30 PM.