

Program Helps Cultivate High-Tech Industry Sector in Utah

In hopes of becoming the next technology hot spot, Utah has developed initiatives to attract, create and expand businesses that use the Internet. A young, well-educated work force, low business costs and a strong work ethic are helping the state achieve its goals.

Nearly 700 new jobs have been created in rural Utah since the Smart Sites program was launched less than two years ago to develop the state's high-tech industry and create more higher-skill, higher-wage jobs. The Utah Smart Site Initiative develops employment opportunities in rural communities by promoting e-business.

In October, two Utah tribal Smart Sites received certification from the U.S. Small Business Administration (SBA) — Suh'dutsing Technologies LLC, established by the Cedar Band of the Paiute Tribe, and NWB Technology LLC, owned by the Northwestern Band of the Shoshone Nation. The certification allows the companies to have greater access to federal contracting procurement marketplace opportunities.

Both companies are also certified under SBA's HUBZone program, which encourages economic development in historically underutilized business zones.

They have also teamed with federal prime contractors based in Washington, D.C. These contractors have agreed to assist the tribes in marketing, technical assistance and quality control.

NWB Technology, a start-up company located in Brigham City, is focused on marketing information technology (IT) products and services currently needed by various government agencies, including the U.S. Department of Agriculture, the Air Force and the Department of Justice.

"The ability to sole source allows us to get into the market quicker," said Ivan Wongan, president of NWB Technology. "This is going to help us accomplish our mission, which is to provide employment opportunities for our members and the local community."

The company plans to hire up to 100 employees over the next year.

Suh'dutsing Technologies helps rural Utah companies connect electronically with firms around the world so those global firms can provide outsourcing services to companies in rural parts of the state. Those services include software testing, technical call centers, data base management, data entry and Web site development.

The company leases nearly 1,400 square feet of space for its operations in the Cedar Band of the Paiute Tribe's community building in Cedar City. The firm plans to employ up to 50 people.

"The [SBA] designation will open a lot of doors for us," said Travis Parashonts, chairman and CEO of Suh'dutsing. "It will give us the opportunity to generate some contracts with federal agencies and provide us with an opportunity to fulfill those contracts."

Being centrally located in the western United States gives Utah a major boost in its efforts to attract out-of-state businesses.

Fleetguard Inc. will relocate its Western Distribution Center from Sparks, Nev., to Salt Lake City. The filtration, exhaust, coolant and chemical specialist for diesel-powered equipment plans to have its Utah facility operational by the end of the year.

The company will initially hire 25 new workers and ultimately grow its Utah work force to 50 employees. The state of Utah and Custom Fit Training program will provide matching funds for employee training — \$25,000 is planned for the training program.

"We are pleased with the support and response that we got from the state of Utah, both the Division of Business and Economic Development, and the Custom Fit Training program," said Gloria Hoselton, executive director of global logistics strategy implementation for Fleetguard. "As business needs continue to change, we will be better

positioned for the future by relocating our facility to Salt Lake City.”

Fleetguard conducted a logistics study and considered several sites, including Reno, Nev., before selecting Salt Lake City. Utah is an ideal location for the distribution facility because of its easy access to transportation corridors in the west, Hoselton said.

The move will enhance customer service to support Fleetguard’s growth in the oil and gas, mining, marine and rail markets in western states, according to the company. The Nevada distribution center has served the company’s markets and customers for the past 15 years. Fleetguard operates another U.S. distribution facility in Hebron, Ky., which serves the eastern part of the country.

Hoselton said a careful transition plan has been developed to ensure continued customer care during the move.

Omaha, Neb.,-based Lozier Corp. announced plans to expand its manufacturing operations in Cedar City. The fact that the area has a strong manufacturing base was an important factor in the company’s decision-making process.

A manufacturer of retail store fixtures in both national and international markets, Lozier intends to employ a minimum of 100 employees during the first year, and future employment could reach as high as 300 during the next five years.

The overall investment into the community is estimated to be at least \$10 million, increasing up to \$25 million during the next several years.

Lozier selected a 534,589 square foot facility, with direct access to Interstate 15 and an active rail spur served by Union Pacific. The company currently has manufacturing facilities in Alabama, Nebraska, Missouri and Pennsylvania.

Wal-Mart chose Grantsville as the site of its \$57 million Regional Distribution Center. The city’s proximity to Interstate 80 played a role in the decision.

Grantsville recently signed an agreement to allow Wal-Mart build a 1.2 million square foot facility that, in the beginning, will create 600 new jobs. Construction could begin at the end of the year.

In nearby Tooele, the Utah Industrial Depot (formerly the Tooele Army Depot), has the foundation for companies looking to establish manufacturing operations.

There is plenty of land, and existing industrial equipment and infrastructure, including access roads and rail service. The area also offers access to an available work force, thanks to its proximity to Salt Lake City.

B&K Craftsman began leasing 3,800 square feet of space in January for office and storage, Baxter Cabinetry began leasing 6,480 square feet of space in February to manufacture wood products and All-Tech Electric began leasing 4,040 square feet of space in March for an office and warehouse.

— Deborah Lehman