

SECTION 9 - ECONOMICS

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This section provides a summary of the existing and projected demographic and economic composition of Smithfield City. The information is then analyzed to determine potential economic development strategies for Smithfield City that are feasible and compatible with community goals.

DEMOGRAPHIC SUMMARY

Population

Smithfield City

According to the Cache County Planning Office's 2003 Annual Report, Smithfield City, with a population of 8,245 persons, consists of 8 percent of the total population of Cache County. From 1990 to 2000, Smithfield City grew at an average annual rate of 3.0 percent per year. This was below the rate of growth for Cache County (3.4 percent) and equal to the state (3.0 percent).

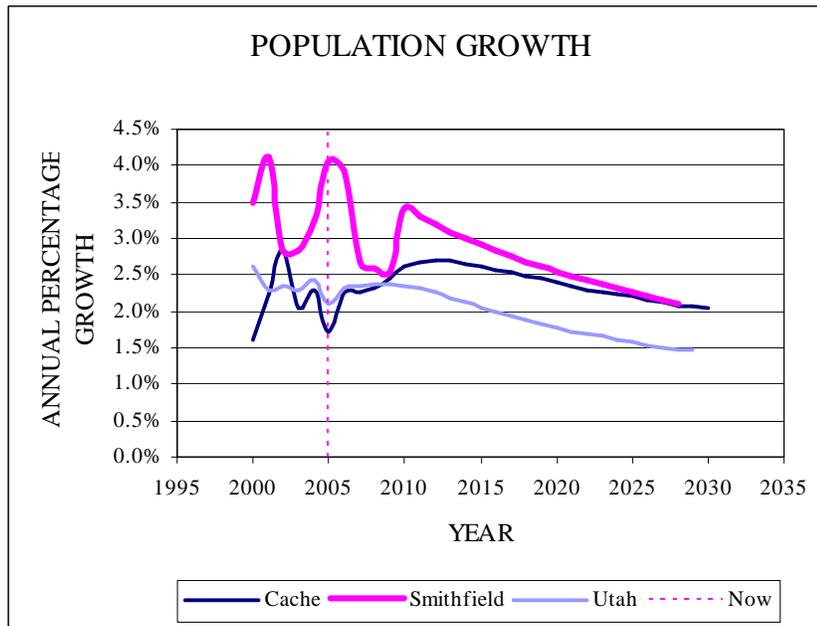
If Smithfield City continues at its present rapid rate of growth (3.0 percent), it will reach a population of 13,380 persons in the year 2020. With this same rate of growth, Smithfield City will not reach its build-out level (population of 27,000) until the year 2043.

See Figure 9-1 for a graph of population growth. There appears to be large fluctuations in the growth rate for Smithfield City until 2010. However the total variation in growth rate is only 2.0% until 2030. After the year 2010, growth rate projects become less precise and appear to be less varied. Larger fluctuations in growth rate are more prevalent due to Smithfield's smaller population. For example from 2005 to 2030 fluctuations for the State of Utah in growth rate only vary 1.1 %.

Cache County

According to the U.S. 2000 Census, Cache County is the sixth most populous county in the state, with a 2000 population of 91,391. This represents approximately 4.1 percent of the total state population. According to the Cache County Planning Office, the 2003 population of Cache County was 100,670. This represents an average annual growth rate of 3.4 percent for the period from 2000 to 2003.

Figure 9-1. Population Growth



Age

Slightly more than half of Smithfield City's population consists of persons 24 years of age or younger. This is a factor in the lower median age of 25.1 years for the city as compared to the median age of 27.1 years for the state. Smithfield City's percentage of population by age group is similar to Cache County and the state with the exception of two groups. Smithfield City has 37.8 percent of its population under the age of 18 years. It has 5 percent more of its population in this age group than do Cache County or the state. However, the trend is just the opposite for the age group between the ages of 18 to 34 years. Smithfield City has 20 percent of its population in this group, whereas Cache County has 31.1 percent and the state has 24.7 percent. The tendency of young people from the ages of 18 to 34 to leave Smithfield City may reflect a lack of jobs in the area, as well as a shortage of affordable housing.

Table 9-1 provides a summary of population age groups.

Table 9-1. Population Age Groups (1990)

Age Groups	Smithfield City	Cache County	State of Utah	Difference Between Smithfield City and Utah
0 to 4 years	10.20%	9.90%	9.40%	0.80%
5 to 9 years	9.30%	8.10%	8.60%	0.70%
10 to 14 years	10.70%	8.00%	8.60%	2.10%
15 to 19 years	11.60%	11.10%	9.70%	1.90%
20 to 24 years	8.20%	16.30%	10.10%	-1.90%
25 to 34 years	11.70%	14.80%	14.60%	-2.90%
35 to 44 years	14.20%	11.00%	13.40%	0.80%
45 to 54 years	10.20%	8.60%	10.60%	-0.40%
55 to 59 years	3.50%	2.80%	3.60%	-0.10%
60 to 64 years	2.50%	2.30%	2.80%	-0.30%
65 to 74 years	4.10%	3.50%	4.50%	-0.40%
75 or more	3.90%	3.60%	4.00%	-0.1%

Source: U.S. 2000 Census

Households

According to the U.S. 2000 Census, there are roughly 2,066 households in Smithfield City, with an average size of 3.51 persons. This household size is greater than in Cache County and the state, which are 3.24 persons and 3.13 persons, respectively. Large family size generally results in higher spending for necessities, with less disposable income for other necessities and is an important consideration in economic development strategies.

Approximately 86.3 percent of the households in Smithfield City are family-related households, while 13.4 percent are non-family related. Of the family households, approximately 125 (6.1 percent) are headed by a female.

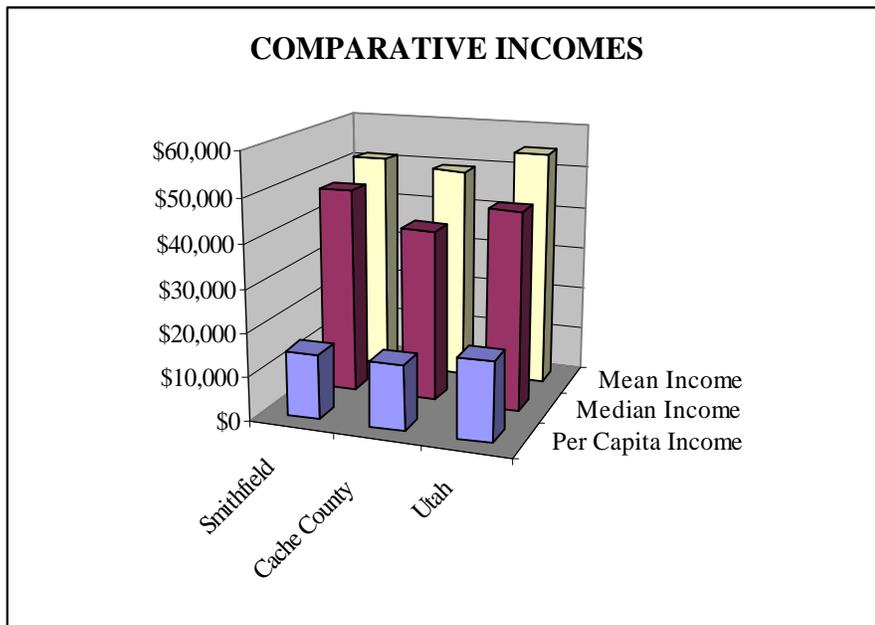
Roughly 88 percent of Smithfield City residents over the age of 25 years are high school graduates and 23 percent of all residents have a bachelor's degree or higher. For a bachelor's degree, this is somewhat lower than the state level of 26.2 percent. The level of educational attainment beyond high school (60 percent with some college or more) is also lower in Smithfield City than it is for Cache County (68 percent) and the state (63 percent).

Income

In 2000, more than half of the income-producing households in Smithfield City earned between \$35,000 and \$74,999. According to the U.S. 2000 Census, median incomes in Smithfield City are higher than those in Cache County and in the state. However, the higher median incomes are offset by the larger household sizes found in Smithfield City (as reflected in the lower per capita incomes). As stated above, this results in less disposable incomes for households.

See Figure 9-2 for comparative incomes.

Figure 9-2. Comparative Incomes



According to the U.S. 2000 Census, the percentage of those living below the poverty level in Smithfield City is relatively low (4.5 percent) compared to the state (6.5 percent) and Cache County (8.0 percent).

Table 9-2 shows the percentage of the population that falls within the listed income brackets.

Table 9-2. Comparative Incomes by Income Bracket (2000)

Income Category	Smithfield City	Cache County	State of Utah	Difference Between Smithfield City and Utah
Less than \$10,000	6.4%	7.5%	6.0%	0.4%
\$10,000 to \$14,999	3.2%	6.0%	4.8%	-1.6%
\$15,000 to \$24,999	10.5%	14.3%	11.8%	-1.3%
\$25,000 to \$34,999	11.6%	16.4%	13.3%	-1.7%
\$35,000 to \$49,999	22.8%	19.3%	19.0%	3.8%
\$50,000 to \$74,999	29.2%	21.0%	22.6%	6.6%
\$75,000 to \$99,999	8.7%	7.9%	11.3%	-2.6%
\$100,000 to 149,999	5.8%	5.0%	7.5%	-1.7%
\$150,000 to 199,999	1.5%	1.4%	1.8%	-0.3%
\$200,000 or more	0.3%	1.3%	1.8%	-1.5%
Median income	\$47,745	\$39,730	\$45,726	\$2,019
Per capita income	\$14,933	\$15,094	\$18,185	(\$3,252)
Mean income	\$48,674	\$46,179	\$54,973	(\$6,299)

Source: U.S. 2000 Census

EMPLOYMENT SUMMARY

Table 9-3 lists the major employers (with ten or more employees) in Smithfield City in 1995.

Table 9-3. Major Employers in Smithfield City (1995)

Firm Name	Industry	Number of Employees
ICON	Manufacturing	1,000
Cache County Schools	Public education	250–500
Mitek	Surgical products	100–249
Lee's Market Place	Retail – food	50–99
Smithfield City	Municipal government	50–99
Jack B. Parson Co.	Construction	25–49
Wendy's	Retail – fast food	25–49
McDonalds	Retail – fast food	25–49
A & W Restaurant	Retail – fast food	25–49
Smithfield Implement	Retail – general merchandise	10–24
Preston's Autobody	Service – auto repair	10–24

Source: Jim Gass, City Manager, Smithfield City

REAL ESTATE MARKET ANALYSIS

Since 2001, Smithfield City has constructed an average of 62 homes per year. For the last four years, Smithfield City has added primarily single-family dwellings to its new housing stock. However, a large multi-family complex was built in 2001 containing 38 units. For comparison, since 2001 neighboring Hyde Park has constructed only single-family dwellings, with an average of 27 homes per year.

New construction for residential buildings for the past four years is shown in detail in Table 9-4.

Table 9-4. Residential Building Permit Activity (2001–2004)

Year	Single Family	Mobile/ Cabin	Duplex	Apartment	Total Units	% Single of Total
Smithfield City						
2001	50	0	0	38	88	57.0%
2002	55	0	0	2	57	96.0%
2003	71	0	0	0	71	100.0%
2004	71	0	0	0	71	100.0%
Cache County						
2001	35	16	0	0	51	69.0%
2002	37	8	0	0	45	82.0%
2003	43	12	0	0	55	78.0%
2004	45	6	0	0	51	88.0%
Hyde Park						
2001	13	0	0	0	13	100.0%
2002	19	1	0	0	20	95.0%
2003	36	0	0	0	36	100.0%
2004	38	0	0	0	38	100.0%
North Logan						
2001	50	0	0	0	50	100.0%
2002	51	0	0	0	51	100.0%
2003	51	0	0	0	51	100.0%
2004	60	0	0	1	61	98.0%

Year	Single Family	Mobile/ Cabin	Duplex	Apartment	Total Units	% Single of Total
Logan						
2001	109	9	0	240	358	100.0%
2002	129	23	4	4	160	100.0%
2003	135	24	32	28	219	100.0%
2004	131	21	26	111	289	45.0%

As Table 9-4 shows, a large multi-family dwelling development occurred in 2001 at the southern end of the community. Currently there is another multi-family dwelling complex being constructed at the north end of Smithfield City. These developments will change the population distribution as younger individuals move into these complexes.

ECONOMIC DEVELOPMENT STRATEGIES

Economic Policies

Goal:

Smithfield will seek employment and commercial development opportunities that provide jobs and services to residents and that make a positive contribution to the community.

Policies:

- Establish appropriate and adequate areas for future quality employment and commercial growth.
- Locate new major manufacturing and industrial employment centers off of Main Street.
- Protect existing industrial and agricultural lands from encroachment of other land uses.
- Improve and maintain infrastructure in targeted development areas to attract businesses.
- Encourage the development of a variety of retail and service businesses that are pleasant places for people to shop, work, and walk.
- Market Smithfield City as a desirable place to live and do business.
- Promote easy and safe pedestrian accessibility in downtown Smithfield.

- Encourage the retention and reuse of historical buildings adjacent to Main Street.
- **Develop downtown revitalization plan**
 - 100 S – 200 N East of Main
 - 200 N – 100 N West of Main
 - Center – 100 S West of Main
- **Explore all the available funds including RDA funds on downtown revitalization.**

Historical Preservation Tax Credits

Historical preservation tax credits are available from the federal government through the Tax Reform Act of 1986 and from the State of Utah through the 1993 Economic Incentives for Historic Preservation Bill. The federal government tax credits apply to commercial, industrial, and rental residential properties, whereas the Utah tax credits apply to owner-occupied residences or residential rentals.

In order to qualify for federal tax credits, a building must be listed in the National Register of Historic Places or be located in a registered historic district and certified as being of historic significance to the district. Buildings so designated may qualify for a 20 percent tax credit for substantial rehabilitation of the building. In addition, a federal tax credit of 10 percent is available for rehabilitation of commercial buildings built before 1936. Note that tax credits do not apply to the purchase price of historical buildings.

In order to qualify for state tax credits, a building must be listed in the National Register of Historic Places and must be used as a residence (either rental or owner-occupied).