



# ANNUAL REPORT

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### Hildale Economic Advancement & Innovation Center

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# PROGRAM OVERVIEW

The principal objective of the Hildale Economic Advancement and Innovation Center (HEAIC) is to foster entrepreneurship, create jobs, and increase wages in Hildale and surrounding areas. The HEAIC is utilizing \$599,061 in grant funds from the Rural Community Opportunities Grant. The grant objectives are to:

- 1) Hire an innovation coordinator and stand-up opportunistic programs to accomplish three grant outcomes.
- 2) Renovate an existing building at 985 N Box Elder St., to function as a physical location for a product commercialization and 3D printing area, business resources office, tourism / welcome center, conference and co-working spaces, and private offices for entrepreneurs and collaborators.

## Part 1 - Program Outcomes

The three grant outcomes are as follows:

### 1. To increase overall wages by 5%

The pre-program baseline year of 2022 showed that there was an estimated population in Hildale of 1,076. These population numbers were skewed by as much as 25% due to a low response rate during the 2020 Census. At that time there were 395 jobs identified in Hildale Utah (Data USA, 2022). There are also jobs in neighboring Colorado City, which held by Hildale residents. To capture more accurate information, the community conducted the RARE Assessment in 2022. The responses from this field work in Hildale and Colorado City (AZ) showed that there were closer to 1,345 residents and 495 jobs, however only 60% of workers reported being fully employed and 17% of households reportedly had a median income of \$15,000 or lower per year (Short Creek Community RARE Assessment, 2022).

One grant outcome for the Hildale Economic Advancement and Innovation Center's (HEAIC) was to increase hourly wages by at least 5% during the grant period (24 months). Washington County averaged \$21.43 per hour / \$44,567 per year in 2022. The average

wage for Hildale in 2022 was \$15.50 per hour, or \$32,243 per year (State of Utah, 2022). The HEAIC has focused on four areas to increase economic advancement for workers, (1) soft skills training, (2) closing the gender gap, (3) changing the job mix, and (4) reducing employer hesitancy.

A Harvard research study of full-time or part-time employees who earn wages around \$14,000 per year to \$40,000 per year suggests a bottom-up strategy of job creation. The study recommends that companies invest in retaining and nurturing talent for the lowest earners by providing mentorship, training, or career guidance in soft skills. Those companies that see high turnover are constantly firing and hiring. This perpetuates a cycle of wage stagnation for lower skilled workers (Raman, 2022). To solve this problem and increase wages, there has been a primary focus for the HEAIC to meet with, and mentor lower skilled workers, so they can find career employment.

During 2024, the HEAC held meetings with 116 individuals, averaging 2.09 visits per patron. Of these individuals, 32 /28% were meetings to help with resumes, job searches, or mock interviews. These meetings lead to finding individual mentors, and sending referrals to education partners such as, Utah Tech University Business Resources / Atwood Center (6) Southern Utah University (1), Utah State University Rural Online Initiative (5), Dixie Tech (2), Department of Workforce Services Vocational Rehab (1), Mohave Community College (2), and Cherish Families GED classes (3).

There is a concerning gender wage gap in Hildale, where the median income for men is \$44,444 per year and the median income for women is \$20,042 (Data USA, 2022). This disparity is naturally derived from women who are stay at home moms, but the amount of part time or contract work or salary by men in the community are a driving force for women to seek extra income. The HEAIC met with 48 women in 2024 who want to start or grow a business. There were 21 / 44% identified as single women or single moms with children. Three women owned businesses launched in 2024. The HEAIC has encouraged women to join a local “Women in Business Group”, which has grown organically to 191 members.

Another barrier that was uncovered while interviewing local employers, is a high level of “hiring hesitancy”. Due to growing pains caused by having to train lower skilled workers, it has been hard for employers to hire. One business owner told me he hires “green

employees” and trains them for a significant length of time. Most employers, however, have had employees that routinely fail to make it past their onboarding and training process.

Employer hesitancy exists because small businesses do not have human resource functions, and managers use over the shoulder, or passive learning, to train new employees. Passive learning is a suboptimal way of transferring hard skills. Shadowing an incumbent employee provides limited chances for practice and situational awareness. Trainees then will not understand the difference between necessary and preferential duties. Learning from a trainer that has streamlined his/her efficiency over time can be frustrating for a new employee and can create a higher than needed level of turnover (Burton, 2024). The HEAIC is partnering with Future Ready Utah to implement their Worksite Certification program designed to assess workplace strengths and create a strategy to foster a better work environment (Future Ready Utah, 2024)

Residents of Hildale work in variety of industries, i.e.; accommodation and food service (18.2%), administration of waste management (11.6%), arts and entertainment (5.57%), construction (14.7%), educational services (6.58%), finance & insurance (2.28%), government (6.58%), healthcare and social assistance (6.08%), manufacturing (9.8%), professional and technical (4.3%), retail, transportation and warehouse (3.8%), and utilities (2.78%) (Data USA, 2022). The only sectors of employment that are higher than the \$32,243 average annual wages are construction \$35,520, and manufacturing \$46,896 (Data USA, 2022).

The HEAIC has focused on construction and manufacturing growth to change the job mix over time to include more of these higher paying jobs. The HEAIC has engaged twenty-four individuals working in construction and manufacturing to help them grow their business so that they might hire additional workers. There were fourteen of these individuals that needed help with marketing and six that needed help with entity creation or revision. One of these individuals changed from employment to starting a construction business. There were five manufacturing companies that needed help with government procurement registration and there was one referral to the Apex Accelerator.

There were also meetings held to incubate companies in the higher paying technology sector. There are individuals in the community with remote tech jobs but there were no technology-based companies. HEAIC launched one software company in 4Q24 and is currently incubating two others. One of these is a new resident tenant of the HEAIC commercialization center and co-working space. The company will sell and repair computers cell phones. Another software company plans to have a launch event at the center in 2025.

To summarize, 60% of workers in Hildale City reported being fully employed, and the average wage for local workers in 2022 was 28% lower than the average for Washington County. There were 17% of households reported a median income lower than \$15,000 (Short Creek Community (RARE) Assessment, 2022). The efforts outlined have increased the current informed average hourly wage in Hildale from \$15.50 in 2022 to over \$18.67 per hour in 4Q24, an increase of over 20 percent.

Local Survey	18.67
Glassdoor	22.50
Zip Recruiter	23.85
Indeed	23.50
Talent.com	18.75
Zippia	21.63
Average	21.48

## 2. To identify or cultivate one manufacturer that can employ at least ten people

Another stated goal of the program is to incubate or recruit one new manufacturing business, which would provide at least ten new jobs. The HEAIC has conducted a site survey and research which shows that as of 4Q24 there are 155 manufacturing jobs in Hildale, reflecting an increase in twelve jobs since the baseline year of '22. This is mainly due to an increase in current customer orders (EDC Utah, 2022).

Manufacturing Type	2022 jobs	'23-'24 jobs added	Total 4Q24 jobs
trailers	5	1	6
label product fabrication	5	0	5
cabinets	43	2	45
milling & pallets	9	1	10

wood doors manuf.	2	0	2
metal fabrication fence & gates	8	0	8
gun barrels	12	1	13
supplements assembly	19	4	23
machine shop	6	0	6
Ag equip	1	3	4
const. equipment	4	0	4
Industrial equip repair	7	0	7
welding	4	0	4
metal & other cutting & etching	2	0	2
wood furniture	6	0	6
Total	143	12	155

In 2023, the HEAIC replied to one RFI from EDC Utah and met and toured three business referred from a relationship with the Suazo Business Center of St. George, who were looking to re-locate from St. George. This effort yielded no commitment, due to the real estate inventory available that matched their requirements at the time.

There is a new manufacturing business that started Jan 1, 2025. In 2024, the company was considering a location at the Inland Port; however, they selected the Hildale industrial center due to the potential and partnership with Hildale City and the Upper Mesa Economic Development. This company is building a prototype for constructing low-income housing units. They are also aiding one of their logistics partners to build at the Colorado City airport in order to facilitate their growth. This employer is expecting to hire 20-30 manufacturing employees over the next two years.

### 3. To increase tourism by 5%

Another stated outcome is to increase tourism revenue by five percent. Tourism is a major economic driver of the Hildale economy. It sets off growth in retail and service businesses that directly cater to tourists. There are also indirect and induced services that naturally come from tourism such as construction and real estate, medicine, and retail / grocery (Kem C Gardner Policy Institute, 2022). Tourism also helps pay for services that residents will benefit from like social, police, fire, and utility services. One study finds that for every \$1 generated in direct travel & tourism, more than \$2 in indirect and/or induced revenue is created and for every direct tourism related job, two new jobs are created (World Travel and Tourism Council, 2021). Hildale currently has an estimated fifty residents employed in

retail or service-related sectors and has five tourist and recreation companies within Hildale (EDC Utah, 2022). There is also a large short-term rental market in Hildale with over one hundred rental units available through both Airbnb & VRBO.

Hildale City's opportunity is its close proximity to unique tourism destinations. It is a crossroads to Zion's National Park (43 miles), Glen Canyon National Recreation Area (99 miles), Coral Pink Sand Dunes State Park (22 miles), and the North Rim of the Grand Canyon (AZ - 106 miles) (Leaver, 2024).

	<b>Estimated Visitors</b>
Zion's National Park	4.6 million
Glen Canyon National Recreation Area	5.2 million
Coral Pink Sand Dunes State Park	125 thousand
Grand Canyon North Rim	473 thousand

(National Park Service, 2024)

Now that the visitor welcome center interior has been finished, the remaining amount of funds available from the initial \$539,154.90, \$13,500, will be used for furnishings.

The welcome center will act as a focal point of tourism and direct visitors to self-guided activities, tour operators, restaurants and other amenities. In addition to the Community Development Grant, Hildale City was awarded \$25,000 as a subgrantee of the Utah Office of Tourism EDA Grant. The money is earmarked for signage for the center and will also include wayfarer signs for Maxwell Park, and the Hildale City offices. HEAIC has a goal to finish branding and the visitor center and complete exterior and wayfarer signs by the end of March, to be ready to receive visitors during part one of the '25 tourism season (Leaver, 2024).

## **Part 2 – Building Renovation**

The two grant outcomes are as follows:

## 1. Interior Renovation

- A. The HEAIC building is important in that it creates functional areas for program implementation. When innovation centers are effective, it is because they create a community of self-support, sharing their knowledge and experience with their peers (Renault, 2017). This mixed-use facility has six offices and a conference room upstairs that houses tenants that can be readily available to help entrepreneurs and business owners. There are currently four tenants, Creek Valley Prevention Coalition, the UZONA Chamber, While You're in Town Marketing Services, and Eagle Gate Title.
- B. There are three functional areas downstairs, (1) a business resource center with co-working, meeting spaces and two private offices, (2) a product commercialization and 3D printing area, (3) the tourism / welcome center. The first level of the building has finished phase one of construction. The bulk of work was done to a common meeting room located on the south side of the building. The room was originally a garage so when installing the flooring, some leveling had to occur. A doorway was walled in to create a closet in the adjacent room. There was also a wall cut down to create a reception counter. A hand-crafted countertop was made from a local cottonwood tree and enhanced with an epoxy river. The other rooms were refreshed with new paint to match the existing upstairs paint. New doors were hung and locks changed.

A 3D printing workroom was upgraded with new windows and a secure closet added to lock up equipment. It currently has two 3D printers, a small laser cutter, and a commercial sewing machine available for us. These will be used by entrepreneurs who are prototyping a physical product. The HEAIC also used grant funds to purchase a commercial grade Rofin industrial laser cutter for small batch runs, to help entrepreneurs produce enough product to gain traction. This machine will not work in a mixed-use building so a new purpose-built structure would have to be found or built in phase two.

## 2. Exterior upgrades



- A. The exterior of the building was painted, and wood features were stained and protected. It was found that the roof needed more repairs than were expected. Along with the roof repairs, the rain gutters were extended in needed areas to divert water that had penetrated the building in the past.
- B. The property was graded, and road base and hard pack created a drive way to the center. This was extended to the road behind the center for through traffic. To separate the road from the lot, a retaining bank was also created using a decorative cement wall. This was done to provide stabilization and flood control.
- C. Emergency water service is needed to the site for fire protection. Grant funds were used to purchase water pipes, valves and a fire hydrant. Due to project complexity in tying this line into the city's water system, engineering was requested. The engineering and labor will be contracted out to a third party,

## Summary

The 24 months of the grant period will end March 2025. It takes between two to three years to reach full adoption of a business incubator (Renault, 2017). There has been resistance to this project and its programs from the community, as well as city staff and management, especially as it relates to the tourism center. There have also been unforeseen obstacles such as the overall cost to complete the emergency water system and connect it to Hildale Cities water system. This is why these two items from the grant are lingering. The goal is to use the remaining \$13,500 from the initial grant disbursement to add furnishings to the center. Total budget numbers are not posted here, because they have been included serially each month. A full roll up of funds is available upon request.

The emergency water will need to be completed with city funds or leveraged from another sources. Once the emergency water system and Tourism Welcome Center are completed, the additional \$59,906.10 (10% of held back grant funds) will be requested to reimburse Hildale City for general fund expenditures incurred to complete the water system or used to pay for continuing programs. Additional funds for the HEAIC can be requested from the Governor's Office of Economic Opportunity by way of the same

Community Opportunities Grant in the fall of 2025. The funds that might be available would be in the range of \$100 - \$200 thousand to be used for program expenses or for phase two lot upgrades and construction projects. No additional funds for a HEAIC manager or staff can be requested and so a decision would have to be made whether or not to pay program employees or seek another source of funds.

*“Innovation is the ability to see change as an opportunity, not a threat” ~ Steve Jobs*

## Appendix

### 2023-2024 Summary of Program Statistics

	Help with Information	Business Licenses	Social Followers	Initial Meetings	Total Meetings	Group Participants	Graduated Companies
2023	42	97	88	12	34	22	1
2024	127	105	408	116	242	71	4
Total	159	105	408	128	276	93	5

DataUSA, 2025, February 3, "Hildale, UT" <https://datausa.io/profile/geo/hildale-ut>

Short Creek Community (RARE) Assessment, 2022

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Impact Utah, 2024, "Why Shadowing", <https://www.impactutah.org/blog/why-shadowing-isnt-an-effective-training-program-and-what-to-do-instead>

Kem C Gardner Policy Institute, "U.S. Bureau of Economic Analysis data Table 6: Utah's Top Ten Direct, Indirect, and Induced Tourism Jobs by Sector", 2022