

Interview with
SCOTT HIRSCHI

February 25, 2016

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SCOTT HIRSCHI

Scott Hirschi was interviewed on February 25, 2016 in St. George, Washington County, Utah by Dr. Douglas D. Alder. He related his life experiences. Also participating was Heber Jones, local historian.

HJ: Scott, why don't you start by telling a little bit about yourself and your family background?

SH: My name is Scott Hirschi. I was born in St. George in July of 1947 and have lived here all of my life. I have five generations of roots in Washington County on my paternal and maternal sides of my family. I went to the local public schools, at what was then Dixie College and what was then Southern Utah State College in Cedar [City, Iron County, Utah].

HJ: [What was] your degree?

SH: I don't have a degree, [but I do] have two industrial [arts] certificates.

HJ: Who were your parents?

SH: [My parents are] Leland Squire and Nancy Laverne (Jones) Hirschi.

HJ: How did you get involved in the economic development business?

SH: I had been working for the State of Utah [as the state director of School Trust Lands]. In 1996 I was approached by then mayor [of St. George], Daniel D. McArthur, about taking the position of economic development director for what then was a [Washington] County agency. In July of that year, I did that. The agency [has] changed some in its organization [in the past twenty years it is now a private-public partnership]. I retired from that position December 31, 2015.

HJ: [Do] you have some big plans for the future?

SH: No, I don't have any big plans for the future.

HJ: What kind of industries were brought into the area while you were working [in] this [position]?

SH: Our mission was refined significantly after I [took the position]. We focused on valued added businesses. Those are businesses that add value to products or services and markets mostly outside the county. [There are] three main reasons for that. Those businesses bring fresh or new dollars from outside the area, therefore growing the size of the local economy. Because they [produce] higher

skilled jobs they tend to pay better than the prevailing wage. Because we are a community funded organization, it was also advantageous that we not [recruit] businesses that compete with the existing businesses.

HJ: [Do] you have some idea of what the ratio is between the various types of businesses, like agriculture, mining and digital?

SH: Yes, a general idea. [Value] added businesses represent about seven percent of our local economy. Agriculture, which at one point was nearly 100 percent of our local economy, is less than three percent today. Obviously, a sign of the times and [agriculture] probably will become even a smaller percentage of the local economy.

DA: Is two and one-half percent of that in Enterprise [Washington County, Utah]?

SH: Probably fifty percent of [agriculture activity in the county] is in Enterprise. [Laughter]

HJ: Is mining all gone?

SH: The [mining category] includes such things as aggregate and other construction related items. So mining actually does have an official presence here, but I think you are referring to gold, silver and [other] precious metals and even coal. [Those activities] have very little presence in Washington County, although they have never had a large [impact on the county economically].

HJ: How do all these others stack up against tourism?

SH: Tourism represents about thirteen percent of our local economy.

DA: Medicine?

SH: Medicine is classified with a couple of other [professions]. In total, [they] represent about ten or eleven percent.

DA: What are all the others? We only have —.

HJ: We have [Dixie State] University that he has to deal with yet.

SH: Education includes public schools as well as higher education and career based education. In total education, I believe, [it] is around six or seven percent of the local economy. [Inaudible]

DA: What is left out?

SH: [Inaudible] The largest single [category] would be commercial retail. [Unfortunately, these are] lower paying jobs; people [flipping] hamburgers, selling shirts, those kinds of [jobs] represent about forty percent of the local economy.

HJ: What about [the] financial institutions?

SH: They are included with other professionals like insurance and banking. That [category] represents about eight percent of the local economy.

HJ: What is your expectation on this new technical school that is coming?

SH: Technology is going to be good to Washington County in the future. Not only from the aspect of education, but for job creation and perhaps, most importantly of all, raising the prevailing wage significantly. Because those jobs are very high skilled and very much in demand, [inaudible] they are not currently being filled here in Washington County and actually throughout the world. It creates higher wages. As [the] influence technology has on our economy increases, it will have a very upward push on wages.

DA: Do you include in this what we call high tech industries?

SH: Yes.

DA: Like [it] is so much in Utah Valley [Utah County, Utah]?

SH: Yes. Utah Valley [and] South Salt Lake County [Utah] are excellent examples of what happens to the economy when it starts to grow in technology based services and wages. [The tech industry is] very important to any region's economy. They are favorable jobs and they are in high demand.

DA: What do those people need to [be] attracted to come here?

SH: It is not an issue of attracting them here so much as it is growing them here. Because they are being recruited all over the world. If you have the skill sets that technology is looking for, you are being recruited everywhere in the world. You are most likely to go where, obviously, the compensation is high, but you are also going to tend to locate in a place where if that job doesn't work out, you can literally walk across the street and get a job at the competition. That is what we don't have here. We have a growing, vibrant, robust technology industry, but it is very small compared to Utah County or [Salt Lake, County, Utah].

DA: Would it make any difference if we had master's degrees here that they need?

SH: Yes, it would make a difference, but probably not as significantly as you might guess. Technology, like a lot of industries, but probably more so in technology

than any other industry that I can think of, is based on your actual skills, not your education, not your job resumé, but on what you can really do. In many cases, some of the highest paid people in the technology company haven't a degree at all. It is their skill level that they are being compensated for. That is not to put down education; [it] plays a very important role in technology. The industry pays based on what you can do, your performance.

DA: So if we were to choose between accounting, business administration and computer [science] for a master's degree, would computer [science] be the most valuable?

SH: Absolutely; [there can be] no question [that technology-based degrees are desirable]. However, I come to that question with a bias. Because, as important as the other two that you listed are, I believe that our number one issue has been traditionally, and will continue to be, wage levels in Washington County. I also believe that the quickest and most logical way to address that issue is through technology based jobs.

HJ: You haven't mentioned anything about the [St. George] Airport. What part is this to play in the commercial [economy]?

SH: The airport is very important, but it is not an economic driver in [and] of itself. Sometimes I think people lose sight of that, especially when we were in the process of trying [to convince] various groups and communities that replacing the airport with a new modern facility was important. Many people would talk as if the airport itself was an economic driver and it is not. It is a support of the economy. It creates opportunities for economic drivers, but it is not a driver in [and] of itself — at least not a major driver.

DA: Someone told me the other day that they expected a new flight to Phoenix [Arizona]. Have you heard anything about that?

SH: I spoke to the airport manager recently and he assured me that we are within weeks of an announcement that there would be a new flight to either Phoenix or Los Angeles [California]. [Inaudible] There has been talk of that for years and many attempts to try to recruit a company or convince SkyWest [Airlines] to establish those routes.

DA: Back to the airport. The Salt Lake [International Airport, Salt Lake City, Salt Lake County, Utah] has around it essentially an industrial park.

SH: Yes.

DA: The airport has property all around it and there has always been talk of the expansion of Fort Pearce up and around the airport. Do you see anything like that?

- SH: It probably wouldn't be an expansion at Fort Pearce, but yes, there is significant industrial potential around the. The concern I have about [this] subject is that most of the property around the airport is privately owned. Those property owners, for the most part, probably paid too much for their property, at least based on current market values, so they are looking for, [and] this is not unusual and certainly not inappropriate, the largest return on their investment. That is probably not industrial [use]. Industrial property in our county sells for \$2.00 to \$3.00 a square foot. Commercial, on the other hand, is more in the \$10.00 to perhaps as much as \$25.00 a square foot [range]. The owners [of] property around the airport, that I have spoken to, have dreams about commercial use; lodging, restaurants [and] tourist based facilities.
- DA: The city plan calls for about 50,000 homes between the [I-15] Freeway and the [St. George] Airport.
- SH: That is correct.
- DA: That is not commercial property.
- SH: Don't lose sight of the fact that commercial [development] is driven by residential. Commercial does not anchor development; they follow development. If there were, in fact, 50,000 residential rooftops in what we will eventually call the south block, it would certainly drive commercial growth because commercial wants to be where the customers are for obvious reasons. They usually follow residential. [It is] very unusual when commercial pioneers an area for development.
- HJ: While you are on that subject, what do you see in the future ratio-wise building to rent to individuals or families as opposed to office space commercial type buildings?
- SH: There is a great potential here for multi-housing for rent and investment purposes. The thing that seems to restrict it is that our rents are still relatively low. It is difficult to pencil out an investment in multi-housing with the current rent structure. But rents kind of reflect the prevailing wage. So you could theoretically raise rents, but who can afford to pay those higher rents? It is a bit of a catch twenty-two; there is high demand, but the rental rates don't justify significant investment, so our vacancies are always in low numbers. The investment never catches up with the demand.
- HJ: If you were going to build as an investment, would you build it to rent or would you build it to sell?
- SH: It depends. Of course, there are a lot of factors involved. The quick money is to sell. To build something and have it start generating cash flow and then flip it, as they say in [the] real estate market. Cash in your investment and move on to

another. A better long-term hold is to enjoy that cash flow, especially during the first ten years, or so, when the maintenance is low. Eventually, properties need significant re-investment to bring them up to standards and make them attractive to new renters because there are new products in the market place. Renters, by their nature, can move, find the best rates and most attractive properties. It is a competitive process. Which is the best investment depends upon your circumstances, probably your age, your desire and the depth of your pockets. There are a number of factors involved.

HJ: In relation to that, where is this going to occur in the county? Is this going to be in St. George, Hurricane, between here and Enterprise, Gunlock? [These communities are all in Washington County, Utah.] Where is this growth going to be?

SH: The growth has proven to be pretty universal throughout the county. We will have hot spots for a period of time. It wasn't that many years ago that [the] Green Valley [area] and the eastern part of Santa Clara were [hot] spots [in Washington County]. Today, everybody recognizes the St. George and Washington Fields as the hot spot. [Inaudible] Growth is really quite universal throughout [Washington] County — east, west, [south] and to a lesser degree to the north. We have [the Utah-Arizona] state line to our south, which constricts growth in that direction to some degree. That state line is significant in restricting growth from a couple of factors. Of course, it is a different state. But in addition to that, it is also a lower compact state for the Colorado River Compact. As opposed to Utah, which is an upper compact state, so getting water from Utah into Arizona has some issues. Ironically, just to make it even maybe a little more difficult, the Virgin River is a lower compact drainage even though it [begins] in Utah. It gets kind of complicated and difficult. To the best of my knowledge, there is not culinary-quality water available on the Arizona Strip, for the most part. Certainly not in close proximity to St. George. For development to take place there, it appears that the water would probably have to come from the Utah side. That again, offers some issues. Growth in the south block is very obvious and already under way, [but] once you butt up against the Arizona state line, it becomes more problematic.

HJ: How do you vision this being distributed in the competition between St. George, Cedar City and Mesquite [Nevada].

SH: I don't really see it as a competition. They each have their own draws and uniqueness, even though this wasn't the case when you and I were younger. St. George and Washington County is now the big dog and draws significant commercial activity, and other activities for that matter, from those two communities, Iron County and Moapa and the Virgin Valleys in eastern Nevada. I don't really see that changing because the population base here is so much larger than it is in the other [areas] that [Washington County is] going to continue to have [the] majority of the commercial base as well as the other professional

services. I have a hard time defining it as competition, but there [are] certainly [amenities] that the greater St. George area has that those two communities would like to have in the way of services.

HJ: I hear some talk about St. George giving up the lower golf course down here. Is golf changing as far as bringing people in [the area]?

SH: That is my perception. I am not a golfer. I am not really well acquainted with golf, but my perception is that a combination of it losing its appeal to the younger generation and the cost of operating golf courses is making it less attractive and more difficult to maintain. Golfing, for the most part, is not a profitable business. It is a leader. It is sort of like I described the airport earlier. It doesn't create an economic engine, but it supports. So whether you are trying to do a development and you want it to include golfing or whether it is to support other industries such as the gaming industry in Mesquite or the tourism industry in Iron [and Washington] Counties]. I am not aware of any golf courses in our area that are profitable.

HJ: What is your take on the [Lake Powell] Pipeline?

SH: The Lake Powell Pipeline is not a new subject, even though —

DA: [Laughter]

SH: — sometimes you get the impression that it is [a] relatively new proposal. [Inaudible] The first time I was made aware of the Lake Powell Pipeline was at least twenty years ago, perhaps even longer than that. In Washington County we have a history of water development from the very first time the European pioneers [came] here and even before that with the Native Americans. For those of us [who] have been here over that period of time, water development seems like a normal function of growth and of [the] community. This is, of course, a much larger project than has ever been considered before.

In the early 1960s, there was a proposal to build a reservoir below Gunlock and to drill wells around the reservoir and pipe that water into St. George. At the time, proportion to the population and to the tax base that was a much bigger project [than] what is being proposed with the Lake Powell Pipeline. It is interesting when you look back, you are both historians, and make some comparisons with Gunlock or with [the development of] Quail Creek or even Sand Hollow, which is [a] more recent [water development in Washington County].

DA: Yes. On Quail Creek and Sand Hollow I don't remember any opposition.

SH: Oh, there was opposition. Not so much with Sand Hollow, but with Quail Creek, absolutely, significant opposition.

HJ: The Gunlock project was tied in with [the proposed] Warner Valley [project southwest of Washington City, Washington County, Utah] —

DA: Utah Project.

HJ: — and they figured they were going to suck in a lot of federal money for that.

DA: Correct.

HJ: Of course, that didn't happen.

DA: [It] didn't happen.

SH: There was federal money involved with Gunlock, but nowhere near what was originally expected. Frankly, I don't know that it was needed. It turned out to be such a successful project and such a needed project that it didn't really need to be subsidized, at least not heavily to become a successful project.

DA: I gather from what you are saying is that you are not one of the opponents of the pipeline.

SH: From a theoretical standpoint, I am a proponent of the pipeline. There are a lot of questions that I think need to be answered. Much to the chagrin of the Water Conservancy District, I believe that eventually it needs to be put to a vote of the public. The reason I believe that is not because I don't have faith in the district making wise decisions, but the district has property taxing authority and they are not elected officials. Even though Ron [Thompson] has done a [good] job of making sure he gets elected officials on the board, the fact of the matter is, they are not elected to be on the conservancy board [of directors]. That is an important difference in my mind. As long as the water district has the ability to [levy] taxes and they are not elected board members, [then] I believe that it demands that a project the size of Lake Powell be put on a ballot and the general public, those who will be expected to pay for it, [approve it].

DA: I gather from the news that the [Utah] legislature is not terribly opposed.

SH: I think there [are] differing positions in the legislature. That is natural and you would expect [it]. If it wasn't for the proposed Bear River and Central Utah Water Development Projects, I think there would be very little support for Lake Powell in the legislature. But there are legislators who see that a lack of support for Lake Powell would probably also mean a lack of support [for] Bear River and Central Utah. They need that water, just like we need that water.

DA: And they happened to have the votes! [Laughter]

SH: They have the votes!

HJ: Assuming the pipeline doesn't go through, how does this alter your look for the future?

SH: It would be the first time in the history of Washington County that we put the cart before the horse. What I mean by that is: You would finally have a very tangible limiter on growth. [Inaudible]

[END OF RECORDING ONE.]

SH: — as opposed to more of a political agenda driving growth or limiting growth. It is not unheard of in the history of the county that water constrained growth, but for the most part when the demand was there we found the resources. Without the Lake Powell Pipeline, or without a similar water development project in a different direction, decisions on growth would be made in a different [way].

[RECORDER TURNED OFF]

HJ: Do you remember where you were?

SH: We were talking about the difference in —.

HJ: Without a pipeline.

SH: I should also point out that whatever impact that would have from a water demand standpoint is down the road, probably beyond our life times. The most immediate impact that we would feel is economic.

DA: By the way, my life-time is one year.

SH: That is longer than I was going to give you, "Doug."

DA: [Laughter]

SH: [Inaudible] The more immediate impact will be economic. That is when there are questions about the viability of a community's future from any standpoint, it will have a restricting factor on investment and growth. In addition to maybe not having the water, [creating] uncertainty [of future growth].

DA: That is right. That is very important. I want to ask you a question [that] I need to have [answered]. You started in 1996; the first issue of the book [*A History of Washington County, From Isolation to Destination*] came out in 1996. Then we came out with one in 2006.

SH: Right.

DA: Can you make me a little list of what has happened between 2006 and 2016.

SH: Yes, sir. [A prepared list of development events during this time period was provided by Scott Hirschi to the interviewers.]

DA: Done! [Laughter]

HJ: What do you see that we need that we don't have if you leave the pipeline out of it to keep things going somewhat stable?

SH: Interestingly, resources, including water, can be brought from other areas. While we have had numerous instances where we got to pinch points with electricity and natural gas. There was a period of time when we didn't have natural gas at all, and we have bumped up against capacities [several times, but the means to] increase [have always been found by tapping sources outside the county]. That is the reality with any sort of resource. What you can't increase is land. I am convinced that at some point in time, probably beyond my horizons, the real restriction will be land based and not necessarily from a resource standpoint.

DA: That line down by the [St. George] Airport, the Arizona border, is so frustrating because you see development right up to the edge.

SH: Yes.

DA: But you can understand that Utah is not going to send its water into Arizona. There is that property right there with all the same things, the [I-15] Freeway, the [Virgin] River, everything — empty.

SH: Yes, and there is also a political aspect, obviously. Will the community leaders in Washington County, more specifically in St. George, ever get to the point where they are willing to dedicate not only water, but all the [needed] resources that are available here to not only another city, but to another state?

DA: I can give you a simple solution. Redraw the line.

SH: I think a lot of people would argue that the Colorado River should be the state line, but I don't see that happening, frankly.

DA: Right.

SH: That state line is important, but it is not just the state line. When you look at the property that is under the control of one form of government or another, obviously mostly the federal government but it is not uniquely federal control, it is state and even local governments that control some property. At some point in the future I anticipate that land availability will become a significant [limiter] for development. Of course, that means we will go up with buildings and that our density will be much higher. There is only so much increase in density that you can do, although I guess Hong Kong [People's Republic of China] would belie

that statement. But there is a point in which density becomes such that it makes your community less attractive and growth [declines or stops].

DA: Talk a minute about the industrial parks. Do we have seven?

SH: I would have to count them. Seven sounds right.

DA: I don't see an enormous amount of growth in the industrial parks.

SH: If you looked at it historically I would say that is wrong. There was a study done by the University of Utah [Salt Lake City, Salt Lake County, Utah] in the early 1990s in which they identified about 400 acres of property in Washington County that had either been developed or was being developed [as] industrial property. They projected what they thought would be needed in industrial growth over several decades. Interestingly, [the] 400 acres in the mid-1990s [finding], the Fort Pearce Industrial Park alone is [now] 1,500 acres. Since that study was done, [the] Millcreek Industrial Park, Gateway Industrial Park [and the] Hurricane Industrial Park have all been developed and constructed. I would argue that we have seen significant industrial growth.

DA: Not much growth in the first park.

SH: The St. George Park?

DA: Yes.

SH: It is pretty much full. There is not a lot of growth potential there. Most of that growth took place in the latter 1970s [with] some in the 1960s — the Wenzel Tent Manufacturing [Plant] and the [Pepsi] Bottling Company. Most of the growth took place there in the 1970s and 1980s, but it is pretty much grown out.

DA: Here is my frustration.

SH: Let me just finish this one thought. This is the danger of building industrial parks close to the central business district: the St. George Industrial Park, the original industrial park, is now as much commercial as it is industrial because of its proximity to downtown. You are starting to see the same kind of phenomenon with Millcreek [Industrial Park] which is across [and down] the street from Costco [Wholesale Corporation], for example. The older, closer industrial parks are going through a metamorphosis that moves them more to, what I will call, heavy commercial uses as opposed to true industrial [uses]. We have a need for another significant industrial park similar to Fort Pearce. Personally, I believe the place for that would be surrounding the airport for reasons we have already discussed.

DA: Exactly!

SH: I don't think that is going to happen.

DA: Here is my frustration: Washington County and Cache County [Utah] are the same population.

SH: They are not today. They were when you came here, "Doug." The 2000 [United States Federal] Census here was 91,000 and 90,000 in Cache County. I haven't looked recently, but I think Cache County is about 135,000 today and we are 165,000.

DA: Alright, but Cache County has eighteen percent of its economy in industry.

SH: Correct.

DA: We have between eight and ten [percent]. We have four times as many hotel beds as Cache County.

SH: Right.

DA: They are a fabulous place for tourism, but it is not their focus. Their focus is industry and there is a very simple reason. Utah State University [Logan, Cache County, Utah] generates five to ten new industries every year.

SH: Correct.

DA: And we don't. Because [Dixie State] University doesn't have a research park and never will.

SH: I agree with that, but it is not that simple. There are some historical issues involved too. [One] is [that] agriculture continues to be a big player in the Cache County economy and [it] does drive some of that industrial development that you talked about a moment ago. We don't have that in Washington County nor have we ever had.

DA: Right.

SH: Cache County is also closer to the Wasatch Front [Salt Lake County, Utah] so it [is] much more able to take —

DA: [Inaudible]

SH: — advantage of the economic activity that the Wasatch [Front].

DA: No airport. No freeway.

SH: It has an airport. It doesn't have any service, but it has an airport.

DA: I just wish we could generate more industry, particularly high-tech industry.

SH: I couldn't agree more. A research university would play a big role in that. That was one of the primary reasons I was such a big advocate with the affiliation with the University of Utah, but obviously that is water under the bridge and not likely to ever happen.

HJ: We have three power systems here.

SH: Yes, purveyors.

HJ: Yes.

SH: Actually, we have more than that.

HJ: Tell about it.

SH: There are a number of municipal systems. There is a major co-op and we have an investor-owned public utility known as Rocky Mountain Power. There are municipal systems in Santa Clara, St. George, Washington [City] and in Hurricane. I am probably leaving another city out that owns their own power [system].

HJ: Enterprise, probably.

SH: Yes, Enterprise does have their municipal [system] even though they are surrounded by Dixie Escalante [Rural Electric Association]. [Inaudible] [While] there are a number of purveyors, there is only one significant generator of power and that is the natural-gas-fired eighty mega-watt system that St. George owns located on the Virgin River at the intersections of 3050 East and Riverside Drive [Streets]. Thank goodness for it!

DA: What about solar [energy]?

SH: Solar is going to continue to be a big player in the energy industry. Somewhat ironically, Washington County probably won't be a significant player, but there will be solar projects [in the county]. Some have already been announced, so I am not prophesizing. Newcastle, Enterprise, Escalante Desert area [in Washington County] is going to have a lot of solar projects. [That is] good news [because those projects] generate jobs [and] generate property taxes. But more importantly, [they] bring [needed] redundancy for power systems that we desperately need in this part of the state. [Inaudible]

HJ: Do you see this as being private or co-op?

SH: Yes, they will be mostly private. They will sell into public systems, but they will be owned privately.

HJ: Tell a little bit about your folks developing [Kemp Korner].

SH: Okay. I am not sure when they bought the property. They purchased one-quarter of a [city] block.

HJ: It is on 700 East and between St. George Boulevard and Tabernacle [Street].

SH: They bought it from the Kemp Family, hence the name. It is really not significant, especially in today's economy, but back when they first developed the property it was the first time there had been any sort of significant commercial development outside of the central business district [in St. George]. It came with a fair amount of controversy and resistance.

DA: Was that the old Safeway [Stores building]?

SH: No, it is now called Sunrise Shopping Center [located on] University Boulevard, [between] St. George Boulevard [and] Tabernacle [Street]. It is not much more than an honorable mention at this point in the overall commercial activity in Washington County, but it did represent what was taking place in communities all over the United States [because], up until that point, most of the commercial activity had been [in the central business districts]. Suburbia development was a fairly new phenomenon and was established here with the development of Kemp Korner.

DA: The big building kitty-corner from the [St. George] Tabernacle —

SH: Yes.

DA: — that was developed with support from the city for parking garage —

SH: Yes, Main Street [Plaza].

DA: — seems to me to set a tone for the future.

SH: I think so.

DA: You have the Wilkinson project that is stalled. You have [the project] up where Lunt Motor [Company] is that nobody can get the real estate [issues] solved. [Issues have been solved and a new hotel has been approved.]

SH: Right.

DA: [Inaudible] talks about having high-rise business facilities downtown with residential in the upper stories.

SH: I don't think I would use the term high-rise, but certainly —.

DA: As far as we are concerned, five, six story buildings.

SH: Right.

DA: We can't get off the ground.

SH: Right. I think that is not an unusual circumstance. I think you see that throughout the state of Utah. [Inaudible]

DA: Salt Lake [City] is into it big!

SH: Salt Lake [City] is into it big, but that is because their downtown is a job generator. It is an economic engine in [and] of itself.

DA: Yes.

SH: There is a great [deal] of desire for people to live there. You don't have that same phenomenon, even in downtown Provo [Utah County, Utah] you don't have that phenomenon. It is a different dynamic than it is, say, in a metro area like downtown Salt Lake [City].

DA: Do you want to say anything about fiber optics?

SH: Fiber optics was a major benchmark in the economic future of [inaudible] of Washington County. Thank goodness we had at that time a president of [Dixie] College that understood that and fought for what was originally called, the Utah Backbone System. Originally, it was going to terminate in Iron County. [Inaudible]

DA: And it was going to terminate in Brigham City [Box Elder County, Utah].

SH: — I have very little knowledge [of it].

DA: It was putting those two together that made it so that people —.

SH: I remember very well being invited to a meeting at the college president's office on campus.

DA: With Rocky Mountain?

SH: The person I remember leading that campaign was Douglas Alder. I didn't have any understanding of the importance of that process at that point. But boy, I can promise you that I understand it today!

DA: But now there is a second one.

SH: Oh, there is more than a second one, there are [several fiber optic feeds in and out of Washington County]. The second one that you [may be] referring to is actually now the primary in that their, [Interlinx], system is redundant. [Inaudible]

HJ: CenturyLink.

SH: CenturyLink. Even though they advertise it as redundant, it is not a true, truly redundant system. The Tonaquint System is truly redundant.

DA: Tell us for the tape's purpose: what is redundant?

SH: In fiber systems and many other resources, redundancy requires that there are two completely independent sources of connection. They use different routes and different equipment so that when one fails the other one is immediately available. Digressing here for a moment: that is one of the convincing arguments, for me anyway, of the need of the Lake Powell Pipeline. It is a redundant water supply to the county. Its source of water is independent of the county's current sources and its delivery route is unique from the existing delivery routes. Personally, I think that is one of the strongest arguments in favor of the Lake Powell Pipeline.

DA: And you don't hear it.

SH: No, you don't hear it much. It is used in some of the propaganda, but I am not sure that people relate to that well.

DA: I don't think that they understand it.

SH: Yes. Back to the fiber optic: a major stepping-stone for us was in 2002 when Kay Traveller decided to invest his fortune in fiber optic redundancy. [This] is quite amazing for one individual to take that level of risk. I hope it pays off huge for him because he certainly has put his neck on the line.

DA: Does fiber optics make it more attractive for high-tech industries to be here?

SH: You wouldn't have a single high-tech company here without it.

DA: How many do we have?

SH: The last count that I heard was ninety-eight high-tech companies located in Washington County.

DA: They must be pretty darn small.

SH: Some are small. Probably the largest is around 100 employees.

DA: I understood there is somewhere around 135 or 145 [high-tech companies] in Utah Valley.

SH: I would guess that is a very low figure. The difference between here and Utah County, well, there are a number of differences. One is there are [over] 600,000 residents in Utah County.

DA: Yes.

SH: Ninety percent of Utah's population is within [a] one-hour drive of the ["Lehi"] tech center.

DA: But they had some strong computer training, support and research at BYU [Brigham Young University, Provo, Utah County, Utah] that helped get it launched.

SH: That is still the magnet. It is BYU and the University of Utah. Now, there [are] some other magnets that have come along, like Utah Valley [University, Orem, Utah County, Utah]. The reason the Lehi phenomenon exists is there is really only one explanation.

DA: One man.

SH: The University of Utah and BYU made that happen and keeps it happening. Without their influence, that wouldn't be the case. One thing I want to point out, in our local circumstance we can't really justify a large tech company, for the reason that I visited about earlier. If you are going to recruit hundreds of workers, they have to be convinced that there is an employment opportunity for them outside of whoever is recruiting them. If I am going to move my family from the Silicon Valley [in California] to St. George to work for the XYZ Tech Company, [what happens] if that doesn't work out and a year [later] I am looking for a job? If my only alternative is to move again, I am not going to move [to St. George] in the first place. [Inaudible]

DA: My providential approach though is to get master's degrees in computing with people who are already here. They don't have to move here. They already have roots here and are ready to go. They will work with those companies. Those companies won't have to bring people in. They will already have their housing solved.

SH: If there was a curtain, a wall, around our county, your argument would have a lot of weight. The problem is, “Doug,” if you have a master’s degree and you have high computer skills, you are being recruited all over the United States and all over the world.

DA: But some will be glad to stay here.

SH: A very, very, very, very small fraction will stay here. Stay here and make \$100,000.00 a year or go to Silicon Valley and make \$500,000.00 a year. Be the VP [vice-president] of technology or the VP of marketing or whatever of a major company there as opposed to [staying] here.

DA: I don’t know if you know the [youngster] whose mother was the typing teacher here on campus. He is now one of the top executives of Microsoft.

SH: I don’t know who that is.

HJ: Are you talking about Galen Hunt?

DA: Yes. He was on our geek squad here. [Laughter] His buddies were Gail Bunker’s son and Stan Plewe’s son. They were all on that [group] and now they are off in the big time.

SH: Right.

DA: Interesting however, Stan Plewe’s son is on the faculty at BYU. So he isn’t making \$500,000.00 [a year].

SH: That may be true, but he may have made \$500,000.00 at one point in his life.

DA: [Inaudible]

SH: You are not letting me make my point. My point is: when you have a small universe, like we do, you are much better off to have ninety-nine small companies than a dozen large companies.

DA: Okay. [Are] those small companies willing to be in the industrial park or do they want to be somewhere else?

SH: Generally, they are not attracted to an industrial park. When they are real small, they are likely to be in the basement. Then they are likely to be in an incubator or some other subsidized space. Eventually they end up in office buildings, especially office buildings that have robust fiber optic surface.

DA: So when the [inaudible] moves up on the airport from Tonaquint —

SH: Yes.

DA: — that is going to leave quite a bit of space there that can be used.

SH: Tonaquint certainly has a lot of developable [space]. It is nowhere near fully developed. The Ridgetop Development [at the old airport] has potential. There are 273 acres up there owned by the city. They have sold or given the DATC [Dixie Applied Technology College] forty of those [acres]. It is going to be a terrific development, but it is not huge in size. [However] it will be a very important development in the economic future of Washington County.

DA: Who is your successor?

SH: His name is Jeriah Therlfall.

DA: From where?

SH: He was born in southern Idaho, moved as a teenager with his family to the Logan area, went one or two years at Utah State [University], married a [young woman] from Santa Clara, transferred and [received] his undergraduate [degree] from Dixie State [University]. [After] working in the banking and credit union industry here, [they moved] to Indiana [University Bloomington, Indiana] for a master's [degree] and [he] is [currently] a PhD candidate.

DA: At Indiana?

SH: At Indiana.

DA: In what field?

SH: His master's is a MBA [Masters in Business Administration]. He moved back here for [the Site Select Plus] position.

DA: It was just an open search?

SH: Somewhat. There is an executive committee that oversees the operation of Site Select Plus and they each nominated candidates. Those candidates were reviewed, pared down and Jeriah was nominated by [Dixie State University] President [Richard] Williams.

DA: Indiana, Indiana!

SH: Exactly!

DA: [Laughter] I am also Indiana! I have twenty pages to write about everything that has happened in the last ten years. I am really concerned about this [economic development] issue.

SH: I hope that will be of some value to you.

DA: Thank you for this.

SH: You are welcome.

HJ: Thank you.

SH: You are welcome

[END OF RECORDING TWO. END OF INTERVIEW.]