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Idaho

Blackfoot forcibly annexes food processor

By JOHN O'CONNELL
Capital Press

BLACKFOOT, Idaho — The Blackfoot City Council voted April 5 to forcibly annex a 17-acre parcel west of the Snake River that includes the Basic American Foods potato processing facilities, citing a need to facilitate “orderly growth” and build the local tax base.

Attorneys and representatives from Basic American — which had been in an unincorporated part of Bingham County — testified before the vote the company would derive no benefit from annexation, but it would add \$38,000 to its annual tax burden.

The city, which first commenced its strategy of westward growth through annexation when it added land in 2014, has also proposed to soon annex a parcel of light-industrial land south of the Basic American facilities



John O'Connell/Capital Press

Lary Larson, an attorney for Basic American Foods, refers to a map of his client's property in Bingham County while responding to questions from the Blackfoot City Council on April 5. The council forcibly annexed the potato facilities into the city, which will raise the company's annual property taxes by about \$38,000.

and several large potato cellars north of State Highway 36.

Idaho, Indiana and Tennessee are the only three states that allow forcible annexation.

Mayor Paul Loomis said Basic American gets work-

force and other benefits from being adjacent to Blackfoot and will now pay its fair share of taxes, thereby lowering the tax burden for other city businesses. Loomis said Blackfoot has the 10th highest tax levy in the state.

Basic American operates

its main processing facility and a flaked-potato facility and leases a fresh potato shed to another operator within the newly annexed area.

“We’ve resisted annexation for a number of years, and we’ve moved into a situation where we’re not attractive to businesses,” Loomis said. “What we are doing is taking a logical step-by-step effort to reduce the taxes in this city and also serve the citizens of this city.”

Loomis said the newly annexed land had become enclaved by other city land, and Blackfoot is building a conduit toward property where future development is likely. The annexed land also includes a Nonpareil facility, an animal clinic, a real estate company, an investment business and undeveloped property owned by Garth and Julie VanOrden.

Holly Parsons, of the Blackfoot Animal Clinic, said her taxes will double, and she

fears the city's chosen M1 zoning designation would put her business at risk in the event of conflicts with future growth.

Basic American attorney Lary Larson also voiced zoning concerns, emphasizing Bingham County zoning emphasized protecting industry from residential encroachment while the city's M1 designation prioritizes the needs of residential owners. City officials vowed to investigate a zoning change.

Larson said state statute allows annexation only when it is “reasonably necessary for the orderly development of the city,” and he believes those conditions are met when development begins occurring at a high density, necessitating consolidated services to improve cost efficiency.

“Those lots are not being developed; they are developed,” Larson said. “There’s no more cost efficiencies to be achieved by annexing those

lots into the city.”

Larson also said Basic American has its own wells and treats wastewater in-house, ultimately land applying it on a 400-acre company farm, and the city isn't equipped to handle the company's utility needs.

Loomis said the city is currently upgrading its water-treatment infrastructure and characterized the company's methods of operating as business decisions.

Basic American technology manager Brian Crawford said annexation adds complexities and costs at a time when the company is already coping with new federal environmental and food safety regulations. Crawford emphasized Basic American employs about 660 workers in the community and is active in community service — most recently, donating to help Ridgecrest Elementary School improve its student drop-off area.

Processing facility to be built in Idaho

By SEAN ELLIS
Capital Press

WEISER, Idaho — Demeter Bio-Resources, which plans to turn feed barley and a specialized tuber crop into food ingredients, organic fertilizer and alcohol, will build its new processing plant in Washington County in Southwestern Idaho.

Kit Kamo, executive director of the Snake River Economic Development Alliance, said the facility fits well with two of the area's targeted industries: value-added agriculture and food processing.

“We're in a highly agriculturally productive area and our farmers are always looking for other crops to put into rotation,” she said. “We'd like to process (those crops) here, too, and get those jobs.”

Demeter, based in Eagle, Idaho, has already purchased 30 acres in the Washington County Industrial Park south of Weiser and hopes to start building the facility this year, said Sot Chimonas, Demeter's chief operating officer.

Washington County has 42,000 irrigated acres and its 559 farms generate \$292 million annually in farm-gate receipts on 79,500 acres, according to the 2012 Census of Agriculture.

“This is great news for Washington County and Idaho,” Washington County Commissioner Tom Anderson stated in a press release. “This company is agricultural-based and will fit into our community well.”

The facility will process feed barley and a proprietary tuber-producing crop called Sun Spuds. It will turn the components of those crops into human food ingredients and other basic materials, such as organic fertilizer.

Chimonas said the facility would make about \$26 million worth of purchases annually from the state's farm sector.

The company had hoped to build a food processing plant with an ethanol facility near Greenleaf in Canyon County but county commissioners denied a conditional use permit needed to build the ethanol facility last year after a large outcry from people in that area who said it would harm their quality of life and property values.

Chimonas said the Washington County facility will not include a fuel-grade ethanol component but will instead produce beverage- and pharmaceutical-grade alcohol.

The area where Demeter plans to build the facility is zoned industrial and no CUP is needed to build the plant.

Chimonas said Washington County welcomed the company.

“They rolled out the red carpet and were very accommodating,” he said.

Kamo said county commissioners asked her group to recruit the company after reading about its attempt to locate in Greenleaf, which is about 40 miles from Weiser.

“They said, ‘This is something that would sit well in our community,’” she said.

In the news release, Demeter Chief Executive Officer Fanton Chuck said, “The region has a strong agricultural base with existing production of tubers and small grains. It is also close to customers of Demeter's products. ...”

According to the company's website, some of the food ingredients the facility plans to make include inulin and beta-glucan, which are both natural texturing agents, as well as protein concentrates for humans and livestock.

IGWA, tribes reach long-term water lease agreement

By JOHN O'CONNELL
Capital Press

FORT HALL, Idaho — Idaho Ground Water Appropriators Inc. has agreed to lease 45,000 acre-feet of storage water over five years from the Shoshone-Bannock Tribes to help meet a requirement of a recent settlement agreement with the Surface Water Coalition.

The agreement, reached last summer, requires junior Eastern Snake Plain Aquifer groundwater users to give the coalition a flat 50,000 acre-feet of mitigation water annually.

The seven coalition members filed a water call about a decade ago, arguing junior well irrigation has contributed to the decline of springs that supplement surface flows in Snake River reaches between Blackfoot and Milner Dam.

Prior to the agreement, IGWA's annual obligation fluctuated based on the water outlook, and groundwater users risked curtailment if they failed to find the necessary water during a dry year.

IGWA members have also consented to reduce their yearly water consumption by 240,000 acre-feet — equal to roughly a 13 percent reduction per groundwater user, varying by priority date and other factors.

IGWA Executive Director Lynn Tominaga said the water will come from tribal storage rights in the American Falls and Palisades reservoirs. It must be delivered to the coalition within a few weeks of when the final mountain snowpack melts, known as the “day of allocation.”

The tribes previously leased the water to Idaho Power, which used it for hy-



John O'Connell/Capital Press

The Snake River flows through Massacre Rocks State Park downstream from American Falls Reservoir. Idaho Ground Water Appropriators Inc. recently reached a five-year agreement with the Shoshone-Bannock Tribes to annually lease 50,000 acre-feet of water, stored in American Falls Reservoir and Palisades Reservoir, to meet an annual obligation to the Surface Water Coalition.

dropower production and had allowed the water to run downstream from Milner without being put to an irrigation use. Idaho Power can now produce electricity more cheaply from its Langley Gulch gas-fired peaker plant. Tominaga said IGWA paid the “market rate” for the water, but the precise amount is confidential.

Brian Olmstead, general manager of Twin Falls Canal Co., said he's pleased the tribal water will now be used for irrigation.

“I'm sure it wasn't cheap, but it's really the only block of water left that hadn't been allocated for irrigation,” Olmstead said.

Furthermore, he said the water has an old water right that's in priority virtually every year, providing IGWA

with certainty in even the worst of drought years.

In wet years in which there's ample storage carry-over, Olmstead said the coalition will use the water for managed aquifer recharge — injecting water into the aquifer to reverse declines.

In drought years, the coalition will award IGWA's water to the members that need it most, which Olmstead said could mean the difference between drought-stressed and healthy crops. Olmstead said his company has 42 percent of the coalition's water rights, but relies heavily on natural flow rights rather than storage.

“We're going to be one of the first ones injured, and most of the time injured the largest, in a drought year,” Olmstead said.

Idaho specialty crop grant program modified

By SEAN ELLIS
Capital Press

BOISE — Idaho's specialty crop grant program has been modified this year but the state again expects to award about \$1.9 million in funding to projects that improve the competitiveness of specialty crops in Idaho.

The Idaho State Department of Agriculture program, which is funded through the USDA, has awarded \$7.7 million to 93 projects since it began in 2009. Those projects received an average of \$82,950 each.

The funding can be used for such things as research, enhancing food safety, controlling pests and disease, improving efficiency, developing new and improved seed varieties and developing good agricultural handling or manufacturing practices.

“Idaho's specialty crop industry has seen technological improvements and economic benefits each year of the program,” ISDA Director Celia Gould stated in a news release.

The funding has proved to be a big benefit to some of the state's smaller crops that have received several grants aimed at promoting their industries and conducting needed research.

The wineries that form the Sunny Slope Wine Trail group in Southwestern Idaho used a 2013 ISDA grant to promote the region to consumers in Boise and Salt Lake City.

Child's remains from 1981 tragedy found in Eastern Idaho canal

By JOHN O'CONNELL
Capital Press

RIGBY, Idaho — Bureau of Reclamation officials said they reduced Upper Snake River flows from 11 a.m. April 7 to 8 a.m. April 8 at the request of the Jefferson County Sheriff's Office to facilitate a search for human remains in the Great Feeder Canal.

Sgt. Mike Miller said the search was spurred by the recent discovery of a bone in the canal that doctors consulted by his office say belonged to a young boy.

Miller said his office suspects the bone was likely from a 3-year-old boy who drowned in a 1981 boating accident. He said there were four adults and two boys in the boat. The

boys, who were brothers, had their life jackets torn off them by the turbulence of the water and were killed after being sucked through the canal head gate. The body of the 5-year-old older brother was found six weeks later, but the 3-year-old's body was never recovered.

Miller declined to offer additional details, as family

members had not yet been notified.

“There's only a very few people here who have been around long enough to even remember that case,” Miller said, adding that DNA testing results have not been returned.

According to the sheriff's office, more bone fragments were found after the initial bone was discovered.



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