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Report: Fairfield businesses accessing low-interest loan program well

FAIRFIELD, (Iowa) – Eleven businesses in Jefferson County have accessed the Regional Economic Development Investments, Inc. (REDI) revolving loan fund since its 1991 inception, far outpacing all other counties in the ten-county Area XV performance region in dollars accessed, other investment and jobs created, the Fairfield Economic Development Association (FEDA) said Friday. Since the revolving fund’s inception, Jefferson County businesses have accessed \$1,196,200 in low-interest loan funds, matching it with over \$9 million in additional investment. 511 jobs have been retained and/or created in Jefferson County as a result of the allocations.

FEDA serves as recommending administrator on all Jefferson County REDI loan applications, rendering assurances on recommendations for qualifying businesses. By way of the fund’s structure, which vests the recommending entity with potential default reconciliation responsibilities, FEDA must be highly selective with regard to its recommendations, said Brent Willett, FEDA Executive Director.

“It’s a delicate process. The exposure risk is real, but so are the benefits to Fairfield, so we do our homework and we get behind those companies which we believe have the best chance of retaining and creating good jobs in Jefferson County,” Willett said.

No business has defaulted on any of the eleven REDI loans awarded in Jefferson County, beating the fund’s 3.5% overall default rate.

The Area XV county accessing the most REDI funding after Jefferson is Appanoose, which since 1991 has received \$679,000 to leverage \$3.4 million in capital investment and created 201 jobs.

“Clearly, Jefferson County businesses have found a partner in the REDI program,” said Pat Doyle, FEDA President. “FEDA is pleased to help make the connection between potential and resources that this funding source represents each time we have an opportunity.”

Since the fund’s inception, REDI has awarded \$4,658,366 in funding to leverage \$41 million in capital investment and 1,712 jobs in the Area XV region.

“To account for a quarter of the funding and leveraged capital and third of the jobs created by this program is an honor for Jefferson County,” Doyle said. “We see REDI as an excellent component to many of the funding packages we help put together for locally expanding, start-up and relocating businesses. Today’s figures certainly bear that out.”

In 2009, the Fairfield-based Creative Edge Master Shop and Let’s Order Online, Inc. accessed a total of \$207,500 in loan money from REDI, committing to the creation of at least 32 jobs over the next 36 months.

Asked what level of REDI and general economic activity FEDA anticipates in 2010, Willett was optimistic. “REDI isn’t a perfect bellwether, but to see a relatively healthy level of activity in a very difficult economic year locally is encouraging,” he said. “We expect 2010 to be another lean year in terms of new business and expansion activity, but do expect continued interest in the REDI program.”

FEDA, established in 1978, works closely with local community development organizations, financial institutions and businesses, as well as agencies and elected officials in local, county, state and federal government to help facilitate economic growth in Fairfield by providing assistance in locating financing for business and community development projects, grant administration and land development. The non-profit organization is governed by a seven-member Board of Directors.