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FEDA: existing business survey suggests

FAIRFIELD, (Iowa) – The Fairfield Economic Development Association [FEDA] has released a report summarizing the findings of the latest Fairfield Existing Business Initiative [FEBI], a committee-led outreach campaign of executive interviews and surveying of dozens of Fairfield employers, to the community. Brent Willett, FEDA Executive Director, said the report, the second iteration of the FEBI program, which was launched in 2008 in an effort by FEDA to better connect with existing Fairfield-area businesses, comes at a critical time for the community.

“The findings of the 2010-2011 Existing Business Initiative point to several important stresses local companies are facing which are in need of immediate address as well as numerous business and quality of life development opportunities our community can and should capitalize on,” Willett said, pointing to significantly diminished satisfaction levels with several utility services yet strong three-year capital investment projections by surveyed businesses as examples.

Data for the report was gathered through surveys sent to 35 Fairfield employers and through interviews with executives of 29 of the surveyed companies. The information was input and reports were generated via the eSynchronist economic development software FEDA has access to through a strategic regional relationship with the Area 15 Regional Planning Commission office, Willett said. FEBI Committee members Pat Doyle, Craig Foss, Jodi Kerr, Lori Schaefer-Weaton and Dan Sullivan as well as FEDA staffers Willett and Samuel Busch carried out the interviewing over a three month period during the third quarter of 2010.

Results of the survey suggest that Fairfield-area companies have endured a challenging business environment in the last 24 months and forecast conservative investment schedules, with investments in technology and expansion plans down year over year with ownership and

management turnover and business climate concerns up. However, the report reveals important indicators of an improving landscape for Fairfield businesses as well, Willett said.

“Understanding the economic strain Fairfield businesses have endured of late, it is heartening and positive to see at least \$33 million in new capital investment scheduled by Fairfield companies,” he said. “Too, Fairfield’s jobs opening status- the number which speaks to the rehiring of laid off workers, among other things- suggests an increasing number of job openings which outpaces the state ten to one. Indeed, no Fairfield companies expect to maintain a decreasing jobs opening status moving forward. That’s against a statewide average of 26%.”

“A slow recovery, it seems, is underway.”

The report, which is available for download at GrowFairfield.com or in printed form at the FEDA office at 204 Broadway in Fairfield, contains survey data including ownership/management changes, expansion plans, workforce issues, legislative issues, union activity, utility and community services satisfaction levels, community strengths and weaknesses as a place to do business and more. Report highlights include

- 40% of Fairfield businesses plan to expand in the next three years, down from 72% in 2008-09.
- In those three years, Fairfield companies estimate they will expand by a total of 250,000 square feet. The total estimated capital investment for those expansions is \$33.4 million and 237 new jobs are expected to be created as a result.
- One in four Fairfield companies experienced ownership changes in the last year, up 6% from 2008-09. One in three saw major management changes, up 13% since 2008-09.
- While four in ten Fairfield businesses plan to expand in the next 36 months, 96% express some manifestation of concern relating to an expansion.
- Union-friendly legislation ranked as Fairfield companies’ highest legislative concern, followed by regulatory issues, health care and taxes.

The FEBI survey and interview process also included questions regarding company satisfaction levels with utility services like water, sewer and electricity and community services like police/fire protection, health care services and property tax assessments. Notable takeaways from this section of the report include

- Average utility services satisfaction among Fairfield companies fell by 7% from 2008-09, showing an average ranking of 5.21 on a scale 1 [lowest satisfaction] to 7 [highest satisfaction].
- Satisfaction levels with Electrical service fell by 17% and Sewer service satisfaction levels fell by more than 14%. The only utility service satisfaction level which saw an increase in satisfaction levels was Internet Speed, which improved by 2%.
- Average community services satisfaction fell by 2%, turning in an average ranking of 5.08 out of 7.
- Satisfaction levels with Health Care Services, Airline Passenger Service and Air Cargo Service all rose by 5% or more while Streets and Roads [down 13%], Property Tax Assessments [down 14%] and Zoning Changes/Building Permits [down 15%] saw marked deteriorations.

Asked about year-over-year returns regarding the availability of a skilled labor force- identified by Willett as the primary issue of concern emerging from the 2008-09 report, he said, “[C]oncerns expressed by companies regarding available workforce subsided a bit from our last report, but we believe this is a primarily a function of an increased unemployment rate. When unemployment stabilizes as it has begun to do, we expect the workforce concern number to grow again. It’s still one of our top issues.”

FEDA, established in 1979, 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.