

# FEDA Quarterly



The Newsletter of the Fairfield Economic Development Association  
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2008.10.03

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It's October, we've wrapped our 3rd Quarter and held the 2008 Annual Meeting and we're staring the shopping season right in the face (gloomy as it may be for the retail sector), which means FEDA Quarterly is in your inbox. This edition, we review our Annual Meeting and Annual Report, hear from FEDA Administrator Samuel Busch on a must-read for any business interested in sustainability, welcome two new FEDA Board members, review progress on the Fairfield Existing Business Initiative, describe our newest acronym (FLGP) and more. We may not have \$700 billion (or is it \$800b this morning?) to inject into your bottom line, but we want you to know where we are, what we're up to and how we see your local economy. That's what FEDA Quarterly is all about.

## Executive Director's Memo

Normally, I may look for a shortcut here by reprinting my remarks from the FEDA Annual Meeting, which really would make for a tight little memo summarizing the big, big year that was 2008 and what's on tap in 2009.

The last two weeks changed all that.

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## You to them: care to join?

*The Fairfield Economic Development Association is a growing membership organization. If you have a client or colleague who you'd like to recommend to us and that recommendation results in a new FEDA member, you will be credited \$50 on your 2009*

The national economy's proverbial hair is on fire- Wall Street is in crisis mode and nervous home- and businessowners abound, including some right here in Fairfield. But we're stronger than a lot of communities, and our state is in better shape than a lot of others. On the dozens and dozens of executive interview calls I've been on during the Fairfield Existing Business Initiative, the answer given to one of our questions- "what makes Fairfield a good place to do business"- is almost identical no matter the company: a strong, stable and dedicated workforce. What this seems to have roughly translated to is a more conservative approach to commercial borrowing and homeownership on our part, which translates to a slightly more optimistic short-term outlook for Fairfield and much of Iowa as we move through this mess.

Interest-only mortgages are rare in this part of the country, as are the superleveraged corporations which are now shedding jobs at a clip not seen since the mid-1970's. Of course, the tentacles of a toxic Wall Street and the frozen credit markets have wreaked havoc in all parts of the country, Fairfield included. There are area businesses who are being directly impacted due to the inert credit markets and many, many more residents who are staggering back to the house from the mailbox after tearing into their 401(k) statements, their short-term prospects in tatters. This is a financial crisis of stunning proportions, but the largely responsible choices in business and in life Iowans are famous for are quick becoming the envy of much of America.

The recovery will not be swift, but it will come. Whether you take stock in the dealings of an economic barometer like Warren Buffett or not, his injection of more than \$8 billion into a US market which lost nearly \$1trillion in value last week illustrates that there are those who have been right before who see light ahead.

-Brent

## **FEDA announces job creation-based property program**

At its August meeting, the FEDA Board of Directors formalized what's now known as the FEDA Land Grant Program, a job- and wage-based property incentive program aimed at making the sale of FEDA property to high-growth

*membership.*

### *Thank you to current 2008 FEDA Sustaining Members*

Access Energy Cooperative  
 Agri-Industrial Plastics  
 Alliant Energy  
 Ameriprise Financial Services, Inc.  
 Balmer Nelson Van Mersbergen  
 Barker Company  
 Cambridge Investment Research, Inc.  
 Gary Cameron - Foss, Kuiken, Gookin & Cochran P.C.  
 City of Fairfield  
 Creative Edge Master Shop  
 Don Cummings - State Farm Insurance  
 D & L Development, Inc.  
 Danaher Oil Co.  
 Davis & Palmer Real Estate/Marcris Builders  
 Dexter Apache Holdings  
 Neil Doyle  
 Eastgate Energy Services  
 Dr. Martin Gleason, Fairfield Dental Clinic  
 Dr. Stephen Van Tasell, Fairfield Dental Clinic  
 Fairfield Real Estate  
 Fairfield Tire & Service  
 Finney Industrial Painting & Auto Body  
 First National Bank in Fairfield  
 Craig Foss - Foss, Kuiken, Gookin & Cochran P.C.  
 French-Reneker & Associates  
 Gamrath-Doyle Insurance  
 H & H Mold & Tooling  
 Hawthorne Direct, Inc.  
 HCM Plastics, Inc.  
 Holt Family Dental Clinic  
 Huff Financial Group  
 Hy-Vee Food Store / Drug Store  
 Iowa Telecom  
 Jefferson County Abstract  
 Jefferson County Equipment  
 Jefferson County Health Center  
 Jet Stop  
 Kessel Agency  
 L.T. Evans Insurance Agency  
 Libertyville Savings Bank

companies more streamlined and better incentivized with an eye toward a quicker close with less internal debate. The program is open to existing and new businesses alike and requires a job-creation and wage commitment on the part of the employer involved. Should the employer meet certain wage and benefit thresholds, particular tracts of FEDA-controlled land may become available at incentivized prices.

The FLGP is a response on the part of FEDA to the ever-accelerating site-selection process many employers nationwide are utilizing. By positioning its land portfolio as an organized, potentially incentivized unit, FEDA is now more than ever capable of competing for high-growth and wealth projects. For more information on the FEDA Land Grant Program, contact Brent Willett at 641.472.2111 or [bwillett@fairfieldiowa.com](mailto:bwillett@fairfieldiowa.com).

Live Wire Electric  
Local Internet Service Co.  
Maharishi University of Management  
MidWestOne Bank  
Medical Arts Clinic  
Morrissey Law Offices  
Brian Olson - Edward Jones Investments  
Dr. Gary Roth, D.D.S.  
Schaus-Vorhies Companies  
Shipley Contracting Corp.  
John Stever - Edward Jones Investments  
SunnyBrook Assisted Living, Inc.  
TD&T Financial Group, P.C.  
The Fairfield Group  
Tigerhawk Profiles  
Vintage Power Wagons  
Wal-Mart  
Whitney Monument Works  
Winfrey Storage

## *Spotlight:* 2008 Annual Meeting

The 2008 FEDA Annual Meeting was held Wednesday, September 17, 2008 at the Fairfield Arts & Convention Center. All FEDA members and their guests were invited and many took part in the cocktail hour and business meeting following. At the meeting, **FEDA President Pat Doyle** recognized the retiring **Royse Huff** and **Ross Walker** for their contributions to FEDA by naming each a Director *Emeritus* (see article, below). Doyle also welcomed new FEDA Board members **Frank Fritz, Jodi Kerr and Lori Schaefer** (see article, below). **Craig Foss** gave the Treasurers Report, noting FEDA's doubled contribution to the Fairfield Arts & Convention Center and an increase in assets. Fairfield **Mayor Ed Malloy** concluded the meeting with remarks.

Also distributed at the meeting was the 2008 Annual report, which FEDA members can download [here](#), as well as information on Jefferson County's recent ranking as one of the best "creative economies" in all of Iowa. A FEDA media release on the ranking can be downloaded [here](#). For minutes from the Annual Meeting, click [here](#).

## National Quarterly Indicators

*Courtesy of the US Small Business Administration; 2Q 2008  
(released August 15, 2008)*

- The U.S. economy grew an annualized 1.9 percent in

the second quarter of 2008, which was stronger than both of the previous two quarters. (The fourth quarter of 2007 was revised to reflect a decline in real GDP.) Two factors led to the increase in output in the second quarter - higher consumption (up an annualized 1.5 percent), perhaps assisted by economic stimulus checks, and a dramatic increase in real exports (up an annualized 9.2 percent). Meanwhile, residential investment continues to be a drag on economic growth, which was reflected in a 14.8 percent annualized decline in real gross private investment in the quarter. The industrial picture was mixed, with industrial production down and the Institute for Supply Management's (ISM's) manufacturers' purchasing index up. Most significantly, though, the ISM index is now above 50, which is a possible sign of recovery in that sector.

- Americans remain pessimistic on the economy, as reflected by both the National Federation of Independent Business's optimism index and the University of Michigan's consumer sentiment survey. The NFIB survey shows a lack of desire by small business owners to hire or invest in their firm. These owners now state that inflation is their top concern, followed by taxes and poor sales.

- The unemployment rate in June rose to 5.5 percent, its highest point since July 2004. Moreover, the U.S. economy has lost jobs each month so far in 2008, with 412,000 fewer nonfarm payroll jobs in June 2008 than December 2007. The largest losses have come from the construction and manufacturing sectors, which combined, lost 254,000 net jobs in the second quarter. Bright spots for the quarter include education and health services (+166,000), government (+119,000), natural resources and mining (+17,000), and leisure and hospitality (+10,000). Unincorporated self-employment rose 0.6 percent from March to June 2007; it had fallen earlier in the year.

- The Federal Reserve Board of Governors cut its target interest rate in April by 25 basis points. The prime rate is 5 percent, down from 8.25 percent in September 2007. Both short-term and long-term government securities, however, ended the quarter up by about 0.60 percent. The Senior Loan Officers' Survey suggests a slight improvement in small business lending demand; however, one could still characterize loan demand as weak. Venture capital deals were roughly equivalent to last year.

· Government statistics show higher overall prices. The producer price index was up nearly an annualized 30 percent for the quarter, reflecting higher costs for raw materials and intermediate goods. These costs, however, have not yet been passed along to the consumer, which suggests that large and small businesses saw their profits squeezed. The consumer price index rose 7.9 percent on an annualized basis over that time, but when energy and food prices were excluded, the "core" inflation rate was up an annualized 2.5 percent. West Texas intermediate crude oil averaged \$133.93 per barrel in June, and American consumers have become accustomed to paying \$4.00 or more per gallon for gasoline. Wages and salaries rose an annualized 3 percent for the second quarter, outstripping the 1.9 percent rise in benefits. Labor productivity remains strong, with nonfarm business output up an annualized 2.2 percent for the quarter.

## A case for sustainability

*By Samuel Busch, FEDA Administrator*

With the economic uncertainty gripping our nation and the world today, businesses are scrambling to create "sustainable" value for all stakeholders. A transformation to a more sustainable world is literally taking place before our very eyes. Like it or not, this sustainability thing is going to be around for a while. Businesses that choose to ignore sustainability are now faced with strong criticism not only from external stakeholders, but from internal stakeholders like shareholders and employees as well.

"In *Sustainable Value*, Chris Laszlo illustrates the competitive strategies of some of the world's largest businesses as they begin to take on a number of the world's most important social, environmental, and economic issues," says a review. To save our membership the daunting task of reading this 208 page ode to sustainable value, it was decided that your studious FEDA Administrator would be given the task. Ok so I actually had to read the book for the course I just finished in school, "Socially and Environmentally Responsible Management".

The book is broken into three parts. Part I of the book is a fictional story about a young CEO named Deena and the challenges she faces in addressing her company's impact on society and the environment, while remaining profitable.

Part II outlines the new competitive environment in which societal challenges are becoming huge business opportunities.

It showcases global industry leaders who are successfully integrating sustainability into their core activities as they respond to issues such as climate change, ecosystem health, and global poverty not only from a sense of moral correctness, but because it makes good business sense.

Part III introduces the Sustainable Value tool-kit, a step-by-step approach to creating and managing value for stakeholders throughout the entire supply chain and in a broad range of sectors in today's shifting competitive environment. The tool-kit is largely based on "the eight disciplines of sustainable value" (The core competencies required to create sustainable value.) and "the six levels of strategic focus" (A tool for identifying value creation).

Sustainability is a "lens" through which line managers can innovate along their extended supply chains. It is not about trade-offs, and recent corporate experience proves time and time again that sustainability-based investments can have paybacks of a year or less. Overall the book is written to equip managers with the skills to identify how and where they can do well by doing good, thus providing them with the means to build sustainable value and compete effectively in the twenty-first century.

The book's website is [www.sustainablevaluebook.com](http://www.sustainablevaluebook.com). To sample the book before buying, I highly recommend reading the front matter through to the introduction, click [here](#). Then if you're still interested you can read the first chapter of the book, click [here](#). Now if your curiosity is absolutely peaked about sustainable value, you can read chapter nine "Introduction to Sustainable Value" by clicking [here](#) before you buy it.

## Goodbye, Hello.

The 2008 Annual Meeting marked the last in the long, decorated FEDA careers of **Royse Huff** and **Ross Walker**. Huff, first a FEDA Director in 1984 and Walker, who joined the Board in 1985, were named Directors *Emeritus* for their service to the FEDA Board, which included involvement in major FEDA projects like the FEDA Industrial Park, Park Place Subdivision, South Gate, a major membership restructure and drive and hundreds of other projects and initiatives. It is unlikely any person will ever serve FEDA for as long as Huff and Walker did; last year, the Board adopted term limitations which limit time on the Board to up to 9 years.

Also at the Annual Meeting, FEDA President Pat Doyle

welcomed **Lori Schaefer** of Agri-Industrial Plastics, who replaced Dick Smith in early 2008, as well as **Frank Fritz** of Dexter-Apache Holdings and **Jodi Kerr** of TD&T Financial Services to the FEDA Board. All are highly-respected professionals in the area and assume immediate three year terms.

## FEDA-hosted Supervisor Candidates Forum on tap

*Excerpts from FEDA media release*

The Fairfield Area Chamber of Commerce and the Fairfield Economic Development Association will jointly sponsor a candidate forum for those running for election to the Jefferson County Board of Supervisors on Wednesday, October 23 at 7:00 pm at the Jefferson County Courthouse. The forum, which will be open to the public, will be moderated by Chamber and FEDA Executive Director **Brent Willett**, who said that Chamber and FEDA officials are asking Jefferson County citizens to submit topics for consideration to be included in the evening's slate of questions.

"Though I'll be putting the questions to the candidates, what those questions are and what issues we discuss we're leaving predominately to the voters," he said. "Just call or email us at the Chamber and FEDA offices at 472-2111 or [bwillett@fairfieldiowa.com](mailto:bwillett@fairfieldiowa.com) to submit your suggested issue or topic. We'll take everything we hear from the citizenry into consideration as we craft the final questions."

Willett said the all-inclusive format has worked successfully in the past, most recently in the 2007 Fairfield School Board and City Council forums held late last year. Suggested topics and questions will be organized into an "issues chart" which will illustrate both those topics which are most-often mentioned as well as the Chamber and FEDA's governmental priorities. "From that chart, we'll generate our slate of questions," he said.

Following a closely-contested primary which saw candidates emerge with slim victories, those eligible for election to the Jefferson County Board of Supervisors are

### **Democrats:**

Will Richards  
Earl Shepard

### **Republicans:**

Stephen Burgmeier, incumbent  
Lee Dimmitt

The five candidates are battling for two of the three seats on the Board. Supervisor Stephen Burgmeier faces a re-election challenge and Supervisor Mike Pech is not running for re-election. Supervisor Dick Reed sits this cycle out; he is not up for re-election.

**To submit a question or topic for consideration, please email us right away at [bwillett@fairfieldiowa.com](mailto:bwillett@fairfieldiowa.com).**

## News & Notes

-The FEDA web site is just weeks away from launch- keep your eye on [www.growfairfield.com](http://www.growfairfield.com), as it will soon be your one-stop shop for information on Fairfield economic data, programs and news.

-Brent Willett has been selected to participate in the Iowa Association of Business and Industry's Leadership Iowa program and has been named to the Iowa Chamber of Commerce Executives Board of Directors representing Eastern Iowa.

-Executive calls for the Fairfield Existing Business Initiative are nearly complete. If your company received and still has an outstanding Company Background Sheet to return to FEDA or has yet to meet with FEDA representatives, please contact Samuel Busch at 472-2111 or [sbusch@fairfieldiowa.com](mailto:sbusch@fairfieldiowa.com).

-FEDA is working with the Southeast Iowa Manufacturers Consortium on a workforce marketing project aimed at educating high-school students about the job potential in the advanced manufacturing field.

-The Highway 163/63/34 Ribbon Cutting Ceremony Presented by [The Schemmer Associates](#) will be held November 12, 2008. A ceremony at the Highway 34/1 interchange will be followed by an invitation-only lunch at the Fairfield Arts & Convention Center. Scheduled to appear are Iowa DOT Director Nancy J. Richardson, US Congressman Dave Loebsack, a representative from Governor Culver's office, Representative John Whitaker, State Senator Becky Schmitz and several more. For more information, visit the event web site at [www.iowadot.gov/34bypass](http://www.iowadot.gov/34bypass).

-FEDA still has five buildable residential lots on Woodside Circle. Several are wooded. All are reasonably priced and

ready to be built on. Contact FEDA at 472.2111 for more information or a site visit.

Fairfield Economic Development Assn., Inc.

204 West Broadway  
Fairfield, Iowa 52556  
641.472.2111  
bwillett@fairfieldiowa.com

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