

# FEDA Quarterly



The newsletter of the Fairfield Economic Development Association  
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2009 Q3

## FEDA Quarterly 3Q 2009

In this edition of *FEDA Quarterly*, we look back at a crowded third quarter and ahead to a demanding fourth quarter. We'll cover ongoing FEDA workforce initiatives, including what's being called a 'Career Academy'; an upcoming entrepreneur/new business start-up education opportunity; a major incentives package announcement; two major business and business development conferences happening soon in Fairfield and much more.

## Executive Director's Memo

As summer 2009 turns to fall, the national mood as it relates to the Midwestern and US economy, correspondingly, appears to be enjoying a bit of a change of season. Bloomberg reports that the US economy will pull out of recession at a faster pace than previously forecast, expanding at a rate of 2.9% from July to September, substantially higher than estimates of 2.2%. On the regional front, we're being told to expect a slower recovery based on historical precedent and the damagingly low farm commodity prices those in our agricultural sector are facing as harvest season begins in earnest. Indeed, The August Business Conditions Index, which aggregates leading economic

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## The Blueprint.

FEDA Strategic Priorities, 2009-2011  
(click for full text)



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indicators from surveys of supply managers from the nine state Mid-America region and the three state Mountain States region, declined below growth neutral. The substantial pullback in farm income and weakening energy sector returns are holding down the Midwestern recovery as other pockets of the country enjoy larger bounces.

There is no question, however, that operating conditions have improved by some measure for many Fairfield-area businesses. Recent [FEDA](#) surveying and informal polling shows that a majority of local executives are substantially more bullish on 2010 than were on 2009. Product orders in Fairfield's manufacturing sector, despite continued softness in durable goods, have picked up and several facilities are experiencing heavier shift and workforce activity than at this time last year. Local companies in the financial services and information technology arenas are hiring and in some cases stocking up in a saturated sector-specific labor market- another strong sign of confidence.

Strains continue, however. Jefferson County's August unemployment rate sits at 8.6 %, up from 7.9% in July, against a statewide average of 6.8%. There is no question people and families continue to face real challenges in our area, and FEDA continues to work for innovative ways to help up- and re-train them to meet the demands of an increasingly sophisticated local labor market, like the Career Academy concept FEDA is exploring with local school districts and Indian Hills Community College. And by way of FEDA's continued advocacy for workforce development programs like the 260E & 260F Industrial New Jobs Training Program, we are working to ensure that the tools you need to train the next generation of your workforce remain ready and funded.

Earlier this month, FEDA conducted its 2009 Annual Meeting at the Fairfield Arts & Convention Center. The evening's guest speaker, Michael Gould of the [Iowa Department of Economic Development](#), spoke on topics ranging from Iowa's economic competitiveness to strong and emerging business development trends in the state. One of Gould's primary points of emphasis was the importance of robust and coordinated existing industry programming on the part of local economic development organizations in every community in the state. It was a ratification of many of the initiatives FEDA has put its efforts behind in the last 18 months, including the Fairfield Existing Business Initiative. In our area, nearly 90% of our economic growth has come and will come from your growth- that of existing industry operating here now. That is why we have dedicated so much time and many resources to communicating with you and your colleagues about the condition in which your business

FEDA's 2011 Strategic Plan is online and available for viewing. Simply click the icon above. [Or right here.](#)

operates, how it may improve, what opportunities and threats you face, and how we can help.

In 2010, we will be back in front of many of you with the Fairfield Existing Business Initiative 2.0. Our greatest resource, in down economies and up, is you and your workforce, and we strive to understand them and develop strategies to enable their improvement and sustainability. Here's to you.

-Brent

## 2009 FEDA membership year wraps

*FEDA's sustaining members stepped up again in 2009, enabling FEDA to roll out and sustain new programming like the all-new [GrowFairfield.com](http://GrowFairfield.com), [Fairfield Existing Business Initiative](#), [Fairfield Community Quick Reference](#) and other community marketing materials, and much, much more [in fact, you can read about our accomplishments on [GrowFairfield.com](http://GrowFairfield.com)]. A hearty thank you to the 2009 FEDA membership.*

- Access Energy Cooperative
- Agri-Industrial Plastics
- Alliant Energy Corp.
- Ameriprise Financial Services, Inc.
- Barker Company
- Bob's Automotive, Inc.
- Cambridge Investment Research, Inc.
- City of Fairfield
- Creative Edge Master Shop
- D & L Development, Inc.
- Danaher Oil Co.
- Davis & Palmer Real Estate/Marcris Builders
- Dexter Apache Holdings
- Dr. Gary Roth, D.D.S.
- Drish Construction, Inc.
- Edward Jones Investments - Brian Olson
- Edward Jones Investments - John Stever
- ERA Fairfield Real Estate
- Fairfield Animal Hospital
- Fairfield Dental Clinic - Dr. Martin Gleason
- Fairfield Dental Clinic - Dr. Steve Van Tassell

- Fairfield Tire & Service
- First National Bank in Fairfield
- Foss, Kuiken, Gookin & Cochran P.C. - Gary Cameron
- Foss, Kuiken, Gookin & Cochran P.C. - Craig Foss
- French-Reneker-Associates, Inc.
- Gamrath-Doyle Insurance
- 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
- Live Wire Electric
- Local Internet Service Co.
- Maharishi University of Management
- MidWestOne Bank
- Morrissey Law Offices
- Neil Doyle
- Reiff Grain & Feed Company
- Schaus-Vorhies Companies
- Shipleigh Contracting Corp.
- SunnyBrook Assisted Living, Inc.
- TD&T Financial Group, P.C.
- Walmart
- Winfrey Storage

## *Spotlight:* FEDA-led incentives package leverages 10 IT jobs in Fairfield

*Parts excerpted from August 3, 2009 FEDA media release*

Fairfield-based software technology company Let's Order Online, Inc. has been awarded nearly \$200,000 in regional and state incentives to help grow its workforce by at least 10 employees over the next 36 months. FEDA worked closely with the company in pursuing the incentives package, highlights another incentive-assisted job creation project Fairfield, said Brent Willett, FEDA Executive Director.

**"Halfway through 2009, FEDA has worked with local companies to generate \$728,684 in incentives which are leveraging more than \$3.4 million in capital investment and 79 high-quality jobs,"** Willett said. The incentives utilized by Fairfield companies in 2009 include low- and no-interest loans, workforce grants and performance-based allocations on the local, regional, state and federal levels, he added.

Let's Order Online markets a proprietary online customer service and ordering software package to restaurants across the country. The software product, which has 3,000 hours of market research and development behind it, has upside potential which could make the 10 jobs the current growth package calls for a drop in the bucket, said company founder and president Michael Blitz.

"We've seen markets appear virtually before our eyes as we've begun to roll out the product in earnest," he said. "From restaurants using the product right here in Fairfield to international licensing and cell-phone application opportunities, Let's Order Online is truly poised to grow and deliver on the promise of this critical growth package and more."

Willett characterized the announcement as another example of the value entrepreneurialism has to economic development efforts in Fairfield. **"Let's Order Online is an excellent example of the Fairfield economic growth model at work. A homegrown technology company, emerging with assistance from the appropriate agencies, now in position to create at least 10 new jobs in Fairfield, is precisely the type of opportunity we work toward in pursuing economic opportunities for the Fairfield area."**

The Let's Order Online incentive package includes \$125,000 in funding from the Entrepreneurial Ventures Assistance [EVA] program administered by the Iowa Department of Economic Development. Along with FEDA, the company consulted with the Cedar Rapids-based Entrepreneurial Development Center on its application to the EVA program, which is designed to encourage the development of entrepreneurial venture planning and managerial skills, paired with the delivery of a financial assistance for business start-ups and expansions. The funding will be repaid by a royalty agreement on future sales.

A \$75,000 low-interest loan from Regional Economic Development Investments, Inc. program rounded out the package. **REDI is available to provide growth assistance to companies poised to create jobs in the ten-county Area**

**15 region, of which Jefferson County is a part,** Willett said.

"We could not have come this far without their support and stewardship. Others who want to grow businesses in this state would be wise to make use of these people. They are very smart and genuinely want to help us be successful," said Blitz.

FEDA President Pat Doyle said job creation announcements like Monday's are particularly refreshing considering the economic climate of the last nine months. "While we're well below the national unemployment numbers in Jefferson County, we have certainly seen strains in distinct economic groupings locally. The good thing about entrepreneurialism like that of Michael Blitz and Let's Order Online is it seems to be virtually recession-proof," he said.

## National Quarterly Indicators

*Courtesy of the US Small Business Administration; 1Q 2009  
(released August 12, 2009)*

- Real gross domestic product fell an annualized 1 percent in the second quarter of 2009. While this was the fourth consecutive quarter of declining output, the decline was significantly less than the previous quarter's 6.4 percent drop, and it may be one of a handful of signs that the worst of the recession may be past. Real consumer spending, which accounts for 70 percent of real GDP, was down 1.2 percent annually, and real exports were off 7 percent. Other declines were more marked: real gross private fixed investment declined an annualized 20.5 percent, and real imports fell 15.1 percent. Measures of manufacturing output were mixed, with industrial production falling and the Institute for Supply Management's purchasing manager's index rising. Proprietors' income fell 5.4 percent on an annualized basis during the quarter, and by 8 percent year to year.

- Small business owners and the public were more optimistic in the second quarter, despite underlying economic anxiety, according to the National Federation of Independent Business's (NFIB) optimism index and the University of Michigan's consumer sentiment survey. While poor sales continued as the top concern for small business owners according to NFIB, more survey respondents indicated that the next three months were a good time to expand (albeit at lower levels than desired).

- The unemployment rate rose to 9.5 percent in June 2009,

the highest since August 1983, and job losses since December 2007 amounted to 6.5 million nonfarm payroll jobs. Nevertheless, fewer jobs were lost in the second quarter (1.3 million) than in the first (2.1 million). The only sectors experiencing net job gains were education and health services and other services. Nonfarm productivity rose 6.4 percent on an annualized basis, its highest rate since 2003. Unincorporated self-employment held at the same level as in 2007 and 2008, but the number of incorporated self-employed individuals had fallen by about a half million since 2008.

- Interest rates remained low, with long-term Treasury notes inching up slightly. The Federal Reserve maintained its target federal funds rate of essentially zero in an effort to combat the credit crunch. SBA guaranteed lending has experienced a 50 percent rise in the weekly loan volume of the 7(a) and 504 programs since March 2009 (compared to the weekly average before). The rise is attributable to increased demand, implementation of the federal stimulus, and efforts to stimulate the secondary lending market. Venture capital deals increased by an additional \$500 million from the previous quarter, but the volume was less than half of last year's level.

- Inflationary pressures were modest: consumer prices rose 3.3 percent on an annualized basis (or 2.4 percent omitting energy and food costs), despite a spike in the price of oil, which rose \$21.70 a barrel during the quarter.

## Major business conferences coming Fairfield's way

Two major conferences will call Fairfield home before 2009 ends.

On October 12, Fairfield will host the Tri-State Development Summit, a **biennial gathering of more than 400 economic and community development and political leaders** from throughout a 35-county area encompassing much of Southeast Iowa, Northeast Missouri and Western Illinois. Fairfield was chosen as host of the 2009 Summit, which has an entrepreneurial development concentration, due to its unique economic and entrepreneurial development capacities as well as the Fairfield Arts & Convention Center's capacity to accommodate the major conference's size and requisite needs.

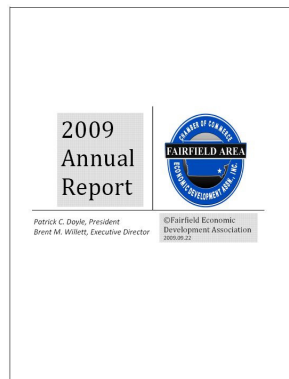
On December 10 and 11, Fairfield will host the Iowa Association of Business and Industry's **Leadership Iowa program, a gathering of more than 50 business leaders from throughout the state enrolled in the well-respected ABI program.** Fairfield was chosen from among more than 50 competing communities for one of the nine 2009-10 Leadership Iowa class sessions.

The one-time economic impact of both conferences on Fairfield will be substantial, as more than 500 conference attendees are expected to visit and spend in Fairfield between the two.

To register for the Tri-State Development Summit, visit [TriStateOfMind.org](http://TriStateOfMind.org).

To learn more about the Leadership Iowa program, visit [LeadershipIowa.com](http://LeadershipIowa.com).

## Your copy: 2009 FEDA Annual Report



Missed the meeting? No problem. Your copy of the 2009 FEDA Annual Report, distributed at the September 15 annual meeting, is [a click away](#).

Wonder what you missed? [Click for a copy of FEDA Executive Director Brent Willett's remarks to the membership at the meeting.](#)

## FEDA bringing networking, technical assistance "E-Bash" to Fairfield

On the evening of **Thursday, November 19**, FEDA will bring entrepreneurial development experts from the [University of Northern Iowa's Regional Business Center](#) to the Fairfield Arts & Convention Center for a two-hour networking and technical assistance event for area entrepreneurs and new business start-ups.

The event, called an **E-Bash**, will provide each participant an opportunity to network over hors d'oeuvres and drinks, hear from experts in the field of entrepreneurial and product development, and receive specialized one-on-one business counseling.

**The Fairfield E-Bash is open to all area entrepreneurs, nontrepreneurs [those with new product or service ideas but don't fashion themselves entrepreneurs] and startup- and early-stage businesses.**

Mark your calendar for November 19- **whether you are searching for the next step for your business or a seasoned veteran looking for a quick retraining opportunity**, you don't want to miss this opportunity to learn from some of the finest minds in the field, right in your backyard.

For more information on the November 19 E-Bash, contact Brent Willett at 641-472-2111 or [bwillett@fairfieldiowa.com](mailto:bwillett@fairfieldiowa.com).

## News & Notes

-A new Fairfield Community Quick Reference is available for download [here](#).

-Read the media release announcing the new version of the CQR [here](#).

-FEDA continues to work with local schools, Indian Hills Community College and business and industry leaders in investigating the feasibility of a Career Academy high school career preparedness center.

-The FEDA Advisory Committee met for its third quarter meeting last week.

-FEDA is closely involved with the Fairfield Chamber's new Government Affairs Committee. [FEDA Directors](#) Lori Schaefer and Dave Reiff both sit on the committee.

-FEDA recently helped welcome Governor Chet Culver to Fairfield. The governor arrived via passenger train.

-Keep up with FEDA- visit [GrowFairfield.com/blog](http://GrowFairfield.com/blog) for updates on recent events and initiatives.

10/1/2009

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Fairfield Economic Development Assn., Inc.

204 West Broadway

Fairfield, Iowa 52556

641.472.2111

[bwillett@fairfieldiowa.com](mailto:bwillett@fairfieldiowa.com)

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