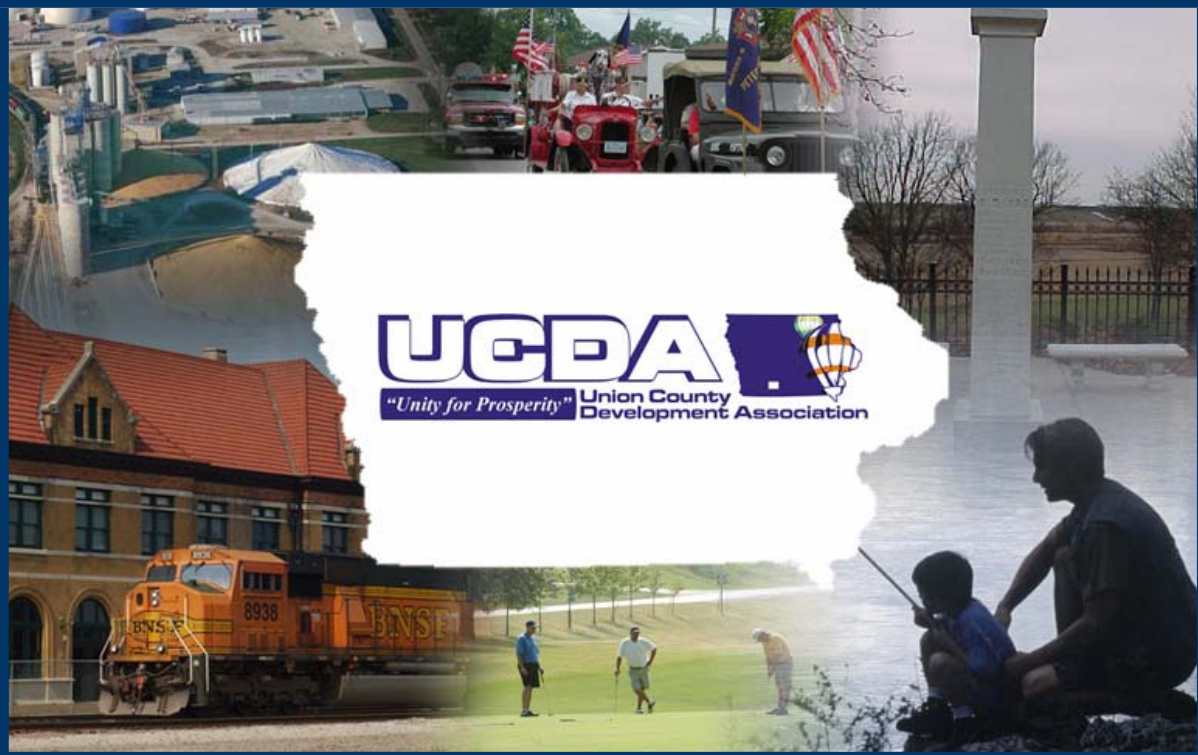


2008 Existing Industry Report



UCDA 
"Unity for Prosperity" Union County
Development Association

Union County Development Association
P.O. Box 471, 208 W Taylor
Creston, IA 50801
641-782-2003
director@ucda.us
www.ucda.us

Introduction

The Union County Development Association (UCDA) builds on the power of partnerships by working to retain our existing businesses and industry in the county. The following report indicates several items regarding the business climate in Union County.



This updated report achieves several purposes: it demonstrates UCDA's interest in existing industry, better determines their needs and concerns so we can try to address them, helps determine the health of our industrial base and its individual companies, and to try to assess the opportunities and risks for retaining and growing them. UCDA utilizes a national software program called the Synchronist Business Information System to track and analyze employer information.

This existing industry update continues to be an integral part of keeping UCDA informed about the activities of our primary employers. It is also our means of communicating with employers and emphasizing our desire to assist in any manner practical. The information gleaned from these contacts helps direct our activities and programs. In real terms, there are limits on our ability to assist companies as many threats are market oriented and therefore outside our control. What we can do is stay aware of the issues facing our companies, address the ones we can influence and continue our focus on maintaining the Union County area as a quality business environment.

The following conclusions and graphs are based on information supplied through direct answers, analysis and comparisons made from extracted data, background and historical information. Internal efforts are also made to keep individual information confidential and ensure that UCDA follows up with the companies looking to expand their operations here or facing issues that may put their current operations at risk.

A sincere thank you goes out to the business owners and managers for taking time out of their busy schedule to respond to the survey questions. The input they provided will help us to plan for the future growth of Union County.

Wayne J. Pantini, Executive Director
Union County Development Association

Businesses Surveyed

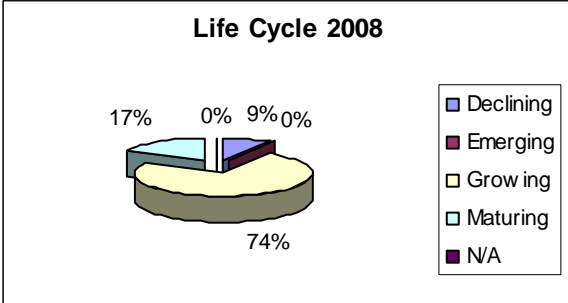
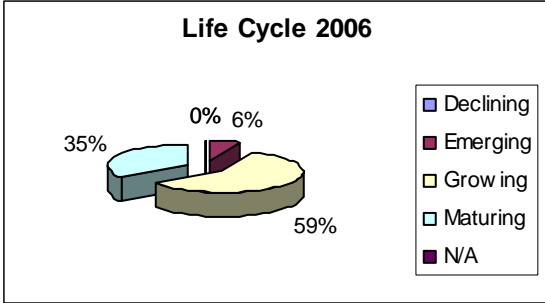
Twenty five companies were identified from the manufacturing, education, health care & social services industries. This criteria was chosen as these three industry sectors combined make up 52% of the workforce and some are considered our largest employers in Union County. Ninety-Two percent of the companies identified agreed to an interview to conduct this survey.



Union County has an abundance of established successful businesses. Over half of the respondents have been in business between ten and fifty years. Less than a quarter of the respondents have been in business ten years or less, showing the importance and need of entrepreneurial businesses in Union County. A quarter of the businesses surveyed are between sixty and one hundred years in business.

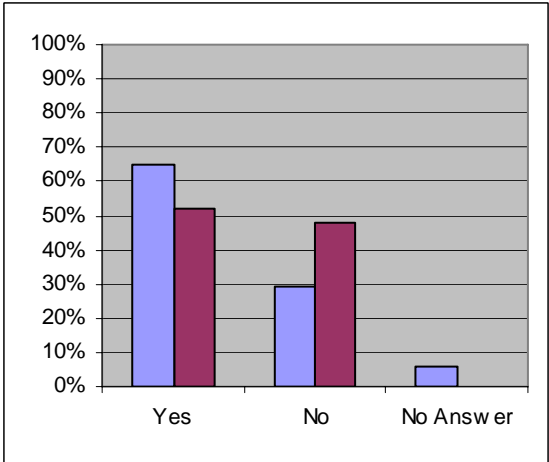
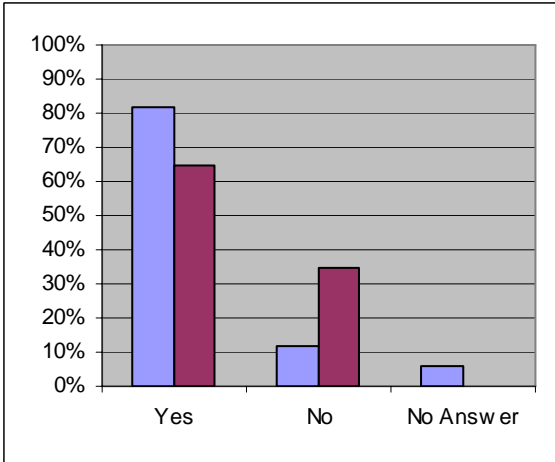
Product/Service

Life Cycle - Companies were asked where they thought their primary product or service was in its life cycle.

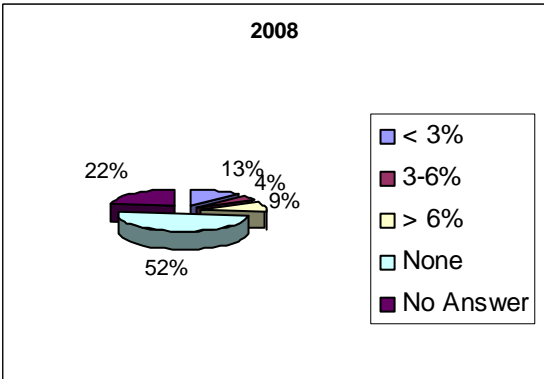
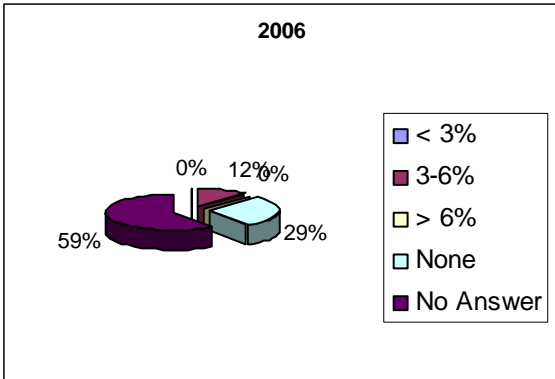


Last 5 Years - Companies were asked whether they have produced new products or service in the past 5 years.

Next 2 Years - Companies were asked whether they will introduce new products or services in the next 2 years.

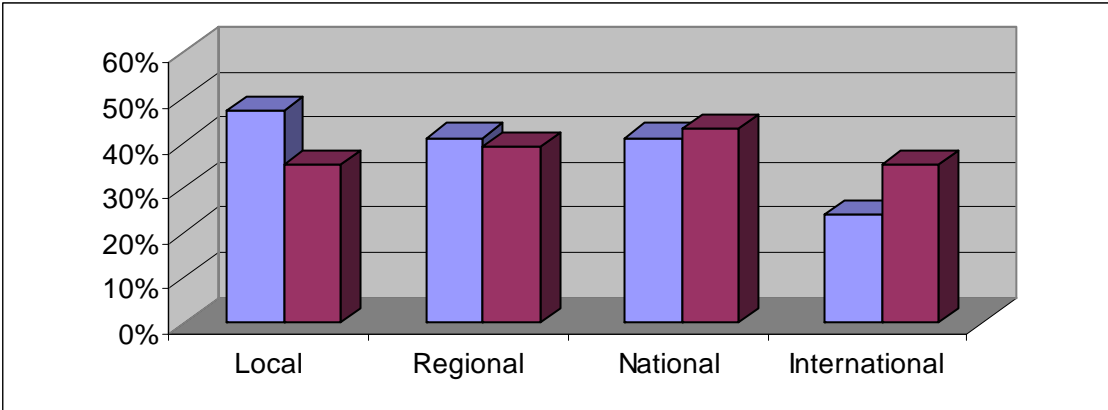


Research & Development - Companies were asked as percentage of overall sales how much is spent on research & development.

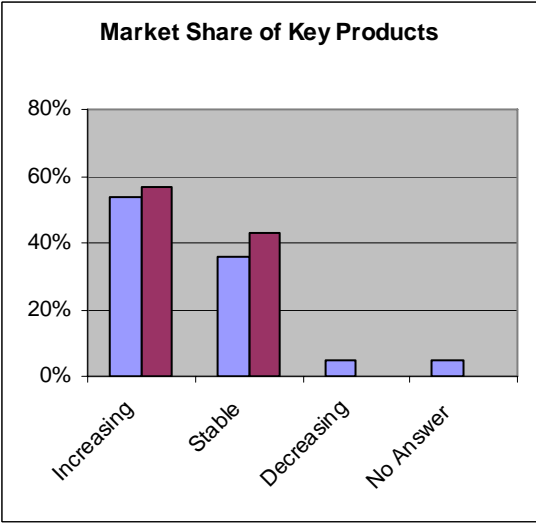
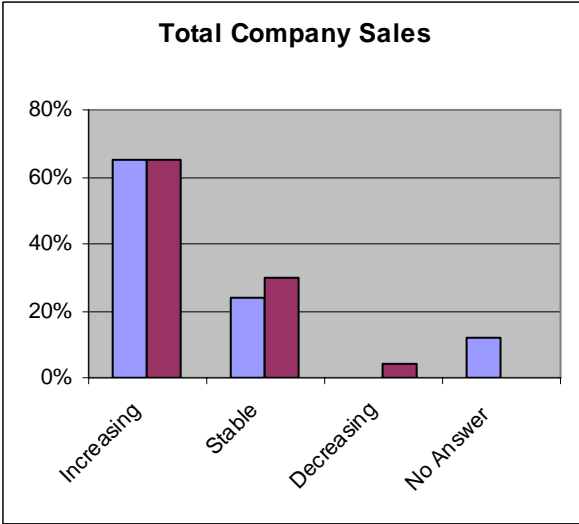


Market

Market - Companies were asked where their primary market was located.



Company Sales - Companies are asked about the total company sales and market share of company's key products.



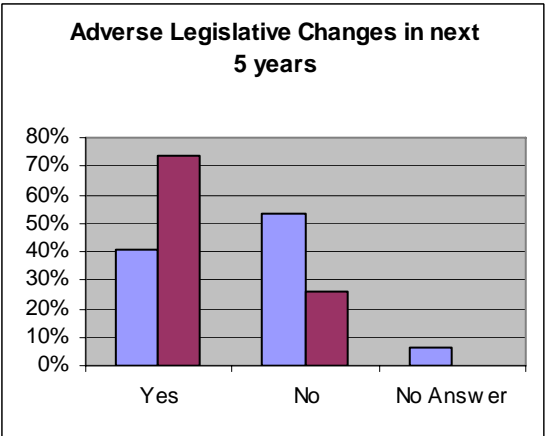
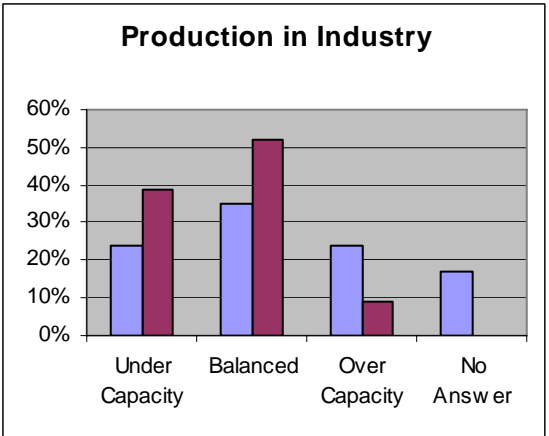
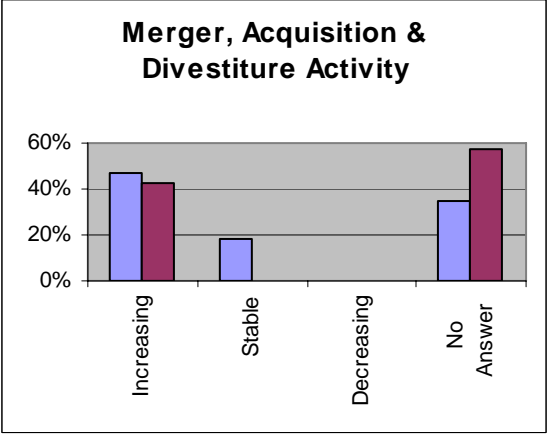
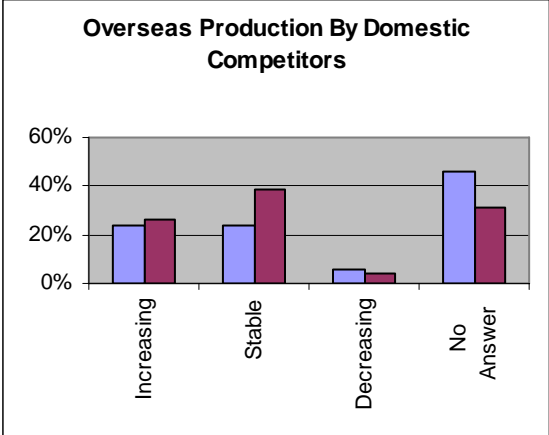
Expansion Plans

Over the next three years, 14 of 23 companies surveyed plan an expansion. An estimated 274 new jobs will be created and planned capital investment is estimated to be \$13.8 million. Additional operating space of the planned expansions would add nearly 149,000 square feet. UCDA supports these projects by providing site and building information, labor force data, and assistance in locating financial resources for expansion.



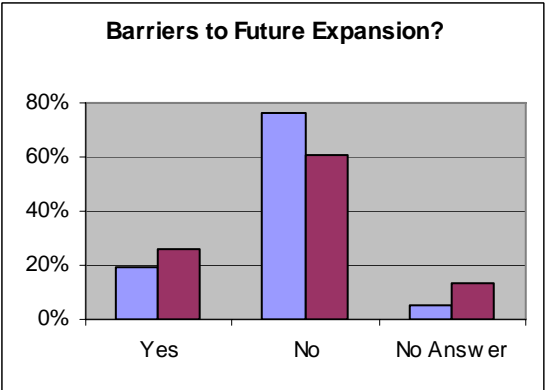
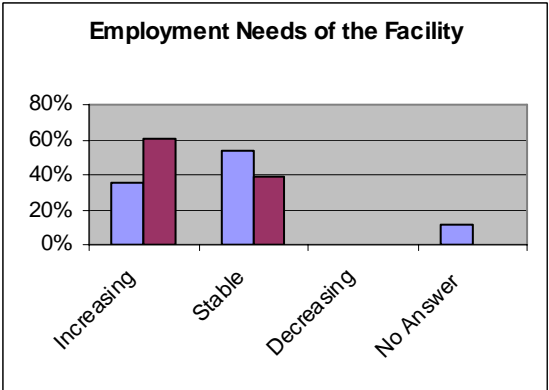
Industry

Industry - Companies are asked about their specific industry and what activities are going on in that industry.



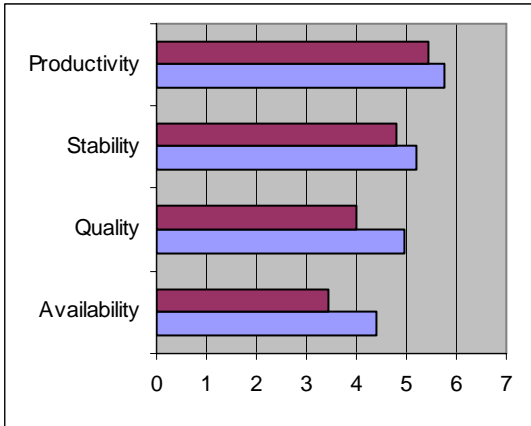
Management

Management - Companies were asked about employment needs of the facility and if there are any reasons the community may not be considered for future expansion.



Workforce

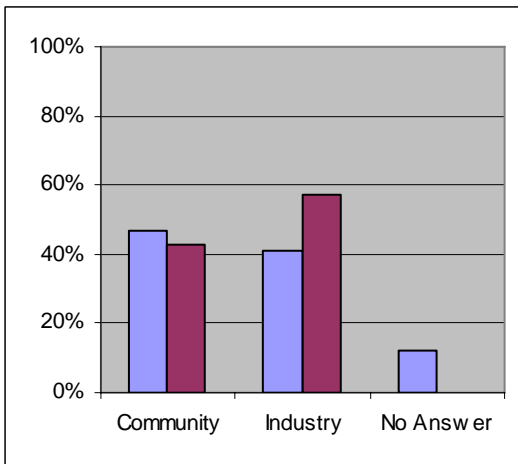
Evaluation - Companies were asked to rate the workforce based on availability, quality, stability and productivity.



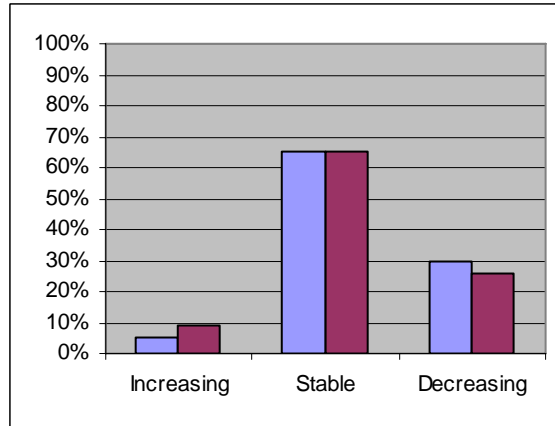
Worker Skills Gaps - The following are positions that were identified as hard to fill:

- ◆ Engineers
- ◆ Boilermakers
- ◆ Human Resource Prof.
- ◆ Physical Labor
- ◆ Maintenance Supervisor
- ◆ Machinist
- ◆ Nursing
- ◆ Radiologist
- ◆ Class A CDL Drivers
- ◆ Clerical

Recruiting Challenges: Companies are asked whether their workforce recruitment challenges are related to industry or community.



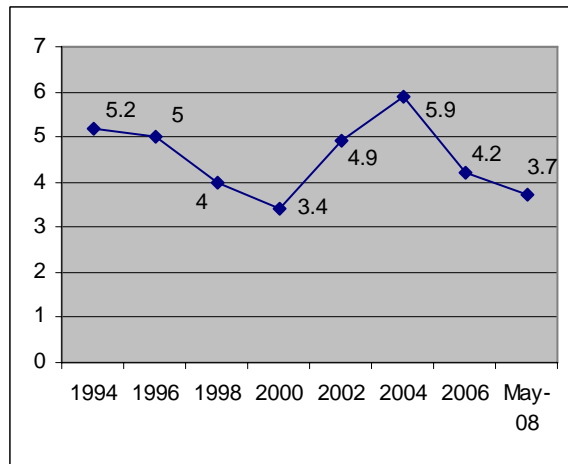
Job Openings - Companies were asked if the percentage of unfilled positions is stable, increasing or decreasing.



Worker Training -

- ◆ 96% of the companies surveyed provide training for their employees.
- ◆ Of the companies that provide training, 86% of them have increased spending on training.
- ◆ 14% of companies surveyed said they had stable training budgets.

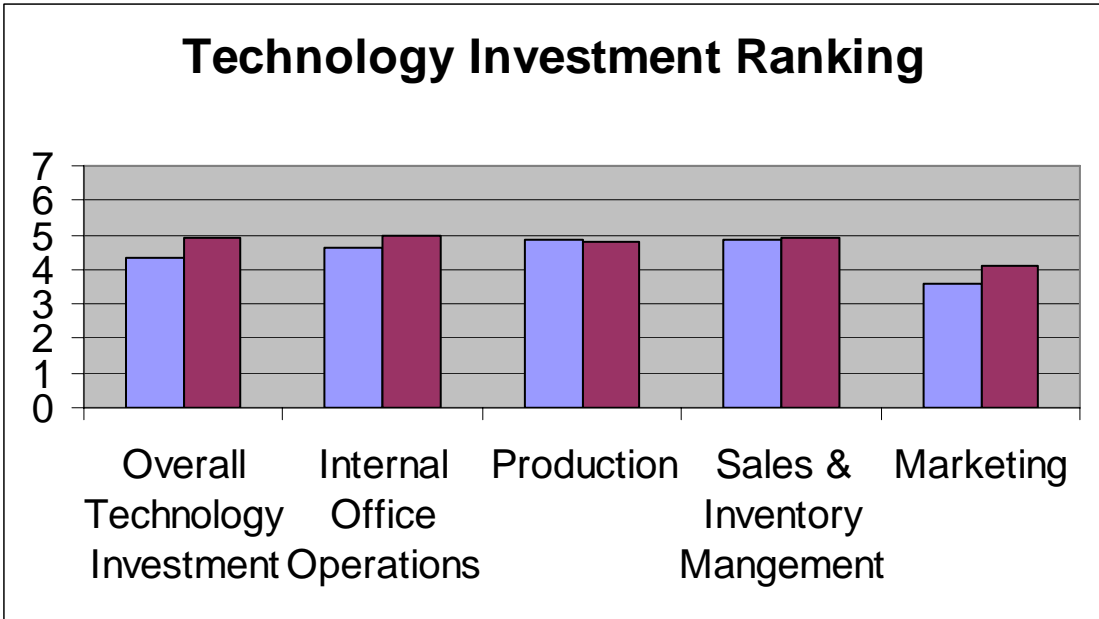
Unemployment Rates: Statistics below show the historical and current unemployment rates for Union County.



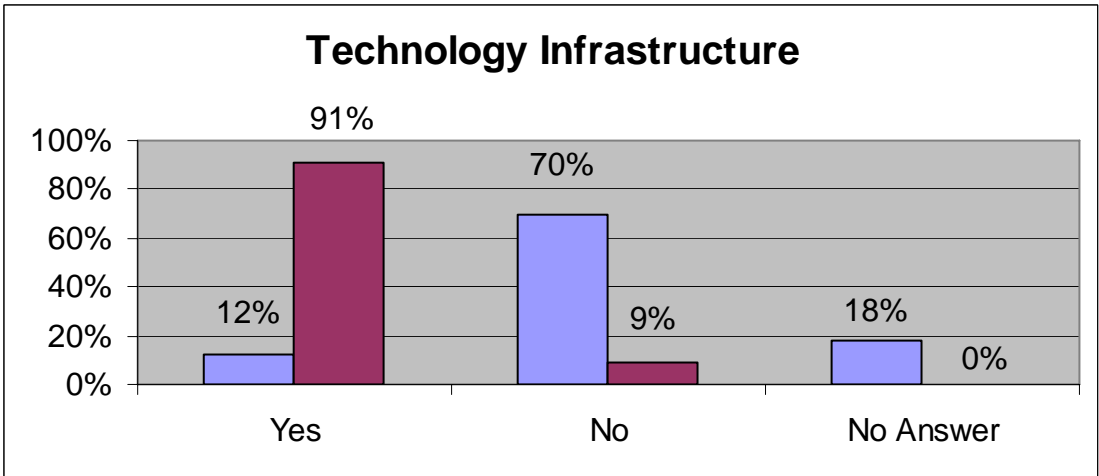
Technology

Emerging Technology - Companies were asked if there was emerging technology that would make an impact on their business. 92% said yes, 8% said no.

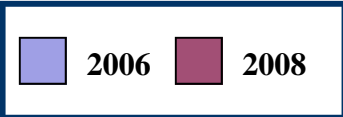
Investment - Companies were asked to rank themselves on their technology investment compared to others in their industry. 1=Low - 7 = High



Infrastructure - Companies were asked whether the community/county infrastructure was adequate for the company's growth plan.

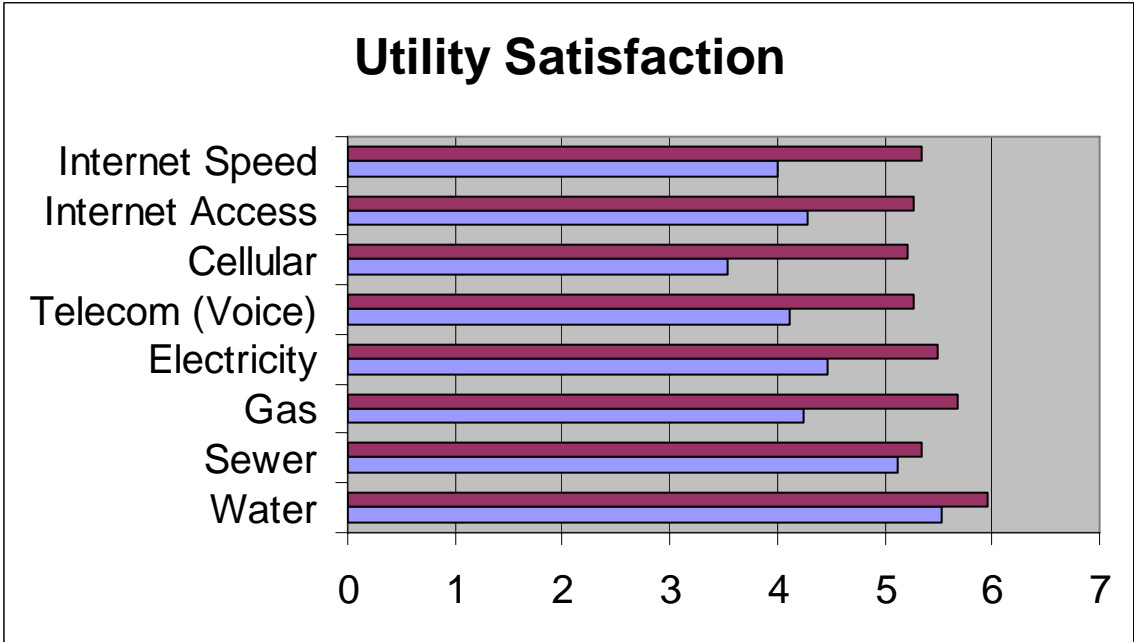
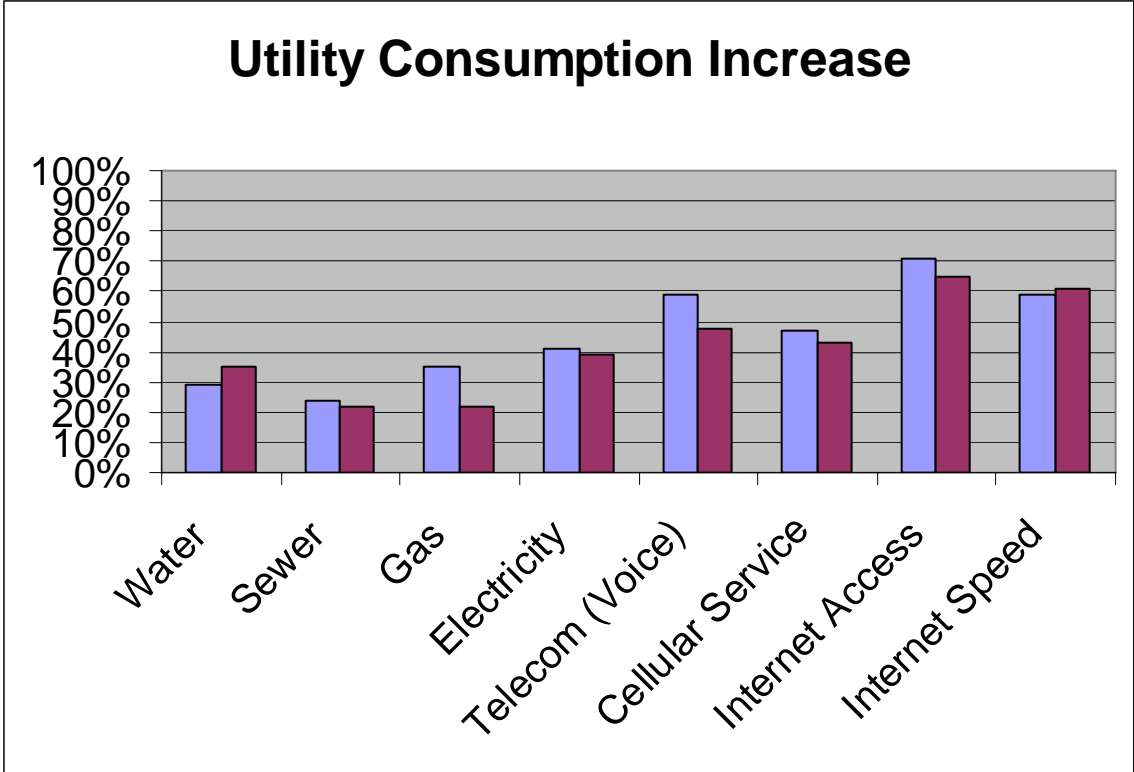


Note - Several companies commented the telecommunications infrastructure had made significant improvements over the past two years. It was also indicated, finding trained IT specialists in the immediate area was proving difficult. Some had to get technicians from Des Moines.



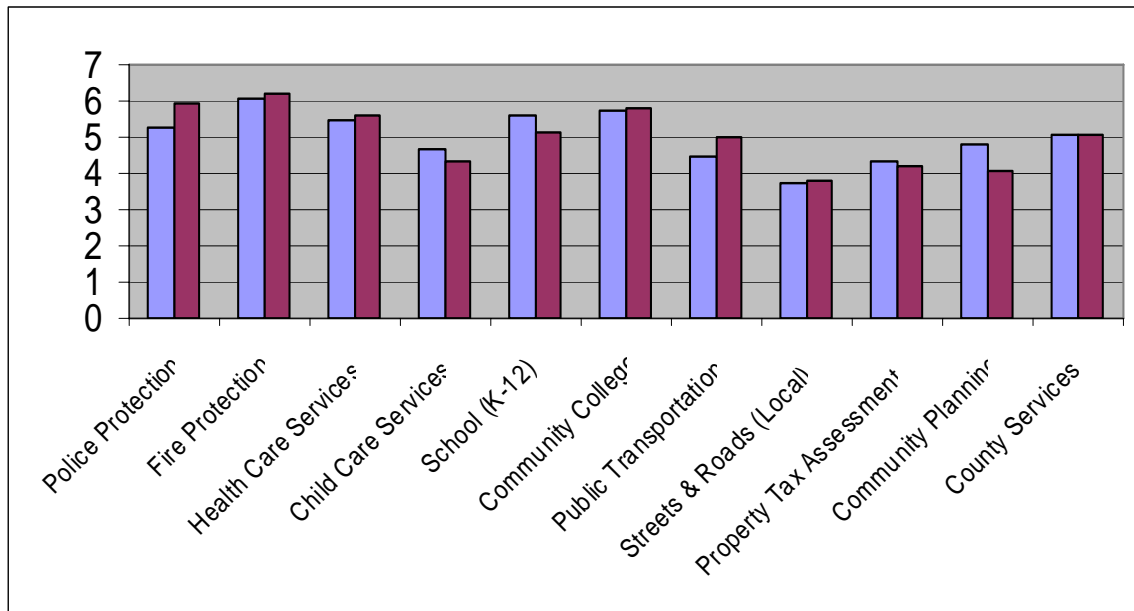
Utility Services

Utilities - Companies were asked if their utility consumption were increasing or stable. Companies were then asked to rank that utility on the scale of 1=Low and 7=High.



Community Provided Services

Local business owners/managers were asked to rate their satisfaction of local governmental services. Low = 1, High = 7



Community Satisfaction

UCDA asked survey participants to comment on the strengths and weaknesses of their community or county from a business and employer perspective. Those surveyed commented on area workforce, cleanliness, housing and services.



Strengths:

- ◆ Regional Hub of area
- ◆ Good diversified economy
- ◆ Ag Related Community
- ◆ Great Recreational Activities
- ◆ Available Job Training \$'s
- ◆ Dedication of employees
- ◆ Quality of life is good
- ◆ Family centered
- ◆ Strong work ethic

Weaknesses:

- ◆ Lack of services, having to buy some products out of town
- ◆ Lack of middle income housing
- ◆ Lack of working capital
- ◆ Need better materials to market area
- ◆ Lack of workers
- ◆ Need more technical people
- ◆ Need better downtown atmosphere
- ◆ Taxes too high
- ◆ Lack of competitive shipping costs

Conclusion

The 2008 Existing Industry Report will provide you with the most recent in-depth view of the local business climate in Union County. UCDA will continue to implement its Existing Business Initiative and conduct surveys on a biennial basis. The UCDA Executive Director or Board of Trustees are always available to listen and address your concerns. As an organization, it is imperative to keep abreast of changes to the business climate to help identify trends and then keep the community leadership informed of those trends. This is an important action since many of the threats that our companies face are market based and tend to be beyond the control of the local economic development group. Through this survey UCDA has identified three critical issues that our industries are facing. UCDA will address these issues with the resources we have available.

Workforce Attraction -

Union County is experiencing its lowest unemployment rate over the past 20 years. The baby boomer generation is beginning to retire. These two facts combined show workforce availability is one of the concerns companies have expressed as an issue. UCDA has recently created the High Lakes Career Network on the UCDA website. This allows employers to post their job opportunities so that we can promote these opportunities to individuals who are looking to move or relocate to Union County. The High Lakes Career Network also has the ability for job seekers to post their contact information and resume on the site. This will provide a new workforce pool to our area employers.

Housing Market -

With the increased need for new employees, adequate housing is an issue that will need to be addressed for those that may relocate to this area for job opportunities. UCDA was instrumental in providing available lots with the James Sub-Division in the year 2000. That project has proved successful. However, a speculative housing program is needed for those who are looking for turn-key homes. Transitional housing is also needed such as apartments, town homes or condos. UCDA has already begun researching the feasibility of these housing issues and will work with our local builders to address these needs.

Community Services-

Several companies stated the need for sick child care and 24 hour child care services, longer hours of operation for public transportation and the need for repair of streets/roads and improved snow removal services during winter storms. UCDA will notify and work with the appropriate agencies to make them aware of the demand for improved or additional services in order to enhance the business climate of Union County.

***A special thank you to the industries that participated in this survey.
UCDA values your participation and your input. UCDA endeavors to
respond to your issues and needs in order that your business and our local
economy can be improved.***