BELLE PLAINE

an

ECONOMIC DEVELOPMENT ASSESSMENT

Todd Bergen
Tracy Einspanjer
Steven J. Van Steenhuyse
Cathy Young
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FIELD PROBLEMS

ECONOMIC DEVELOPMENT PLAN FOR BELLE PLAINE, IOWA

Todd M. Bergen
Tracy Einspanjer
Steven J. Van Steenhuyse
Cathy L. Young
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PREFACE

The purpose of the report is to assist Belle Plaine in identifying its strengths and weaknesses in order to formulate alternative actions for economic development. The initial section of the report contains a community profile which presents a brief overview of Belle Plaine and provides for analysis. In the second section a detailed analysis of Belle Plaine's current economic climate provides the background for formulating specific development actions. The third section details three possible actions which are intended to help facilitate economic development in Belle Plaine. A final section summarizes the feasibility of these projects in relation to Belle Plaine's current economic climate, and provides a basis for public discussion of alternative development actions. It is important to note that the actions presented here are by no means mutually exclusive. Any actions which the city chooses to pursue would be dependent not only on the economic climate but also on fiscal and political constraints.
ACKNOWLEDGEMENTS

We would like to thank the following people for their help in preparing this report: Professors Peter Fisher and David Forkenbrock of the University of Iowa, Graduate Program in Urban and Regional Planning; Alan Schafer and John Lawlor of Citizens Bank in Belle Plaine; Dennis Drahos, Dennis Garling, and Gene Severson of the Steering Committee; and Judy Carter of the Belle Plaine Improvement Corporation.

Todd M. Bergen
Tracy Einspanjer
Steven J. Van Steenhuyse
Cathy L. Young


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SECTION I
COMMUNITY PROFILE

General Description

Belle Plaine is a city of 2,903 people (1980 Census) located in the southwest corner of Benton County, Iowa. It is the center of a market area which serves portions of the three adjoining counties (Tama, Poweshiek, and Iowa). Belle Plaine is located in East Central Iowa, approximately 35 miles west of Cedar Rapids. State highway 21 runs north and south through the city, while state highway 136 comes in from the east. U.S. Highway 30, which runs east and west, is just four miles to the north. Interstate 80 is 14 miles to the south. Also, the main east-west line of the Chicago and Northwestern Railroad passes through the city.

Population

Belle Plaine experienced a slight growth in population between 1970 and 1980. The population grew from 2,810 in 1970 to 2,903 in 1980, an increase of 3.3%. According to the population projection in the city’s 1979 Community Plan Update, the population is expected to grow by 3% per decade. However, since detailed census data is unavailable for small cities, it is impossible to forecast growth in Belle Plaine with a reasonable degree of certainty.

City Government and Public Safety

Belle Plaine has a mayor-council form of government. The city is served by 4 full-time police officers as well as 40
volunteer firefighters. In 1979 an update of the community’s Comprehensive Plan was completed.

**Tax Structure**

The assessed value of taxable land in Belle Plaine for taxes paid in 1985-86 was $38,840,522. The city’s tax rate is near average for Iowa communities of comparable size. Table 1-1 shows Belle Plaine’s city tax rates compared to cities of similar size or in close proximity. Table 1-1 also shows that Belle Plaine’s taxable valuation per capita is comparable to taxable valuations per capita for these towns (with the exception of Cedar Rapids, due to the agglomeration of amenities, etc. that influence land values).

**TABLE 1-1**

**COMPARATIVE TAX RATES AND TAXABLE VALUATION: BELLE PLAINE AND CITIES OF COMPARABLE SIZE OR PROXIMITY**

<table>
<thead>
<tr>
<th>CITY</th>
<th>POP.</th>
<th>TAX RATE*</th>
<th>TAXABLE VALUATION PER CAPITA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belle Plaine</td>
<td>2,903</td>
<td>$12.293</td>
<td>$13,164</td>
</tr>
<tr>
<td>Bloomfield</td>
<td>2,849</td>
<td>$15.822</td>
<td>$11,738</td>
</tr>
<tr>
<td>Adel</td>
<td>2,846</td>
<td>$11.293</td>
<td>$15,886</td>
</tr>
<tr>
<td>Audubon</td>
<td>2,841</td>
<td>$11.487</td>
<td>$15,364</td>
</tr>
<tr>
<td>Cedar Rapids</td>
<td>110,243</td>
<td>$12.107</td>
<td>$22,093</td>
</tr>
<tr>
<td>Marengo</td>
<td>2,308</td>
<td>$ 8.367</td>
<td>$13,376</td>
</tr>
<tr>
<td>Toledo</td>
<td>2,445</td>
<td>$12.752</td>
<td>$15,296</td>
</tr>
<tr>
<td>Vinton</td>
<td>5,040</td>
<td>$ 9.963</td>
<td>$12,691</td>
</tr>
<tr>
<td>Tama</td>
<td>2,968</td>
<td>$12.958</td>
<td>$11,739</td>
</tr>
</tbody>
</table>

*Per $1,000 of assessed valuation

Source: The Iowa Local Government Finance Reports (FY86)
TABLE 1-2
PERCENTAGE OF PROPERTY TAX ABATEMENT: BELLE PLAINES TAX ABATEMENT ORDINANCE

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ABATEMENT RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>75%</td>
</tr>
<tr>
<td>2nd</td>
<td>60%</td>
</tr>
<tr>
<td>3rd</td>
<td>45%</td>
</tr>
<tr>
<td>4th</td>
<td>30%</td>
</tr>
<tr>
<td>5th</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: Belle Plaine City Code, 1985

Fiscal Policies
Belle Plaine has enacted a tax abatement ordinance that provides incremental property tax relief to incoming and expanding industries. Table 1-2 shows the tax abatement schedule.

Utilities
Belle Plaine's electricity and natural gas are provided by Iowa Electric Light and Power Company. Phone service is provided by General Telephone Company of the Midwest. Water and sewer are provided by the city.

Assets and Liabilities
The following is an inventory of Belle Plaine's apparent assets and liabilities. An understanding of these characteristics helps to determine the viability of various economic development actions. Specific projects, which will be detailed in later sections, will attempt to put the city's strengths to best use, while attempting to ameliorate weaknesses. It should be
noted that Belle Plaine’s location in relation to Cedar Rapids, for different reasons, both facilitates and deters economic development. For this reason, the city’s location will be discussed as both an asset and a liability.

**Assets**

**Location.** Belle Plaine’s location 35 miles west of Cedar Rapids places it close to a major market and transportation center. Cedar Rapids is home to several interstate trucking firms which serve Belle Plaine and the surrounding area. Belle Plaine is also within one day trucking distance to major markets at Chicago, Kansas City, St. Louis, Minneapolis, and Omaha. In addition, the Cedar Rapids airport handles both air freight and scheduled passenger service.

**Housing Stock.** The availability of housing in a community is an important consideration when a firm is deciding where to locate. According to local realtors, there were 85 homes for sale in Belle Plaine on October 1, 1986, with market values ranging from $6,000 to $95,000. Homes for sale are estimated to be on the market for an average of one to one and one-half years.

**Labor Force.** Belle Plaine has an available and industrious work force. The community has an excellent history of positive labor-management relations. There is no union affiliation among Belle Plaine’s industries and there has never been a work stoppage due to labor disputes.

**Infrastructure.** Belle Plaine has recently constructed a 750,000 gallon water stand pipe. It should be noted that at this time the city only has the pumping capacity to efficiently fill
450,000 gallons of the pipe per day. Peak usage averages 330,000 gallons per day meaning if the community experiences growth, it would be necessary to increase the pumping capacity. In addition, a new sewage treatment plant was built in the spring of 1985. This plant was designed to handle a capacity of 1,300,000 gallons per day, twice the current average peak load. Approximately 85% of the streets in Belle Plaine are paved. Belle Plaine is well served by three state highways and a U.S. highway, and is only 14 miles from an interstate highway. Scheduled airline service is only 35 miles away, in Cedar Rapids.

Quality of Life. Belle Plaine offers a variety of retail stores. It is a regional shopping center for the four county area. The main street is active and has many stores. An active chamber of commerce promotes Belle Plaine's retail and commercial businesses.

Belle Plaine also offers a range of recreational facilities. There are three parks in the city that provide picnic and playground facilities. In addition, Franklin Park provides a swimming pool, lighted tennis courts, baseball diamonds, and horseshoe pits. Raymond Access Park, on the nearby Iowa River, has facilities for fishing, boating, camping, and picnicking. The city also has a nine hole golf course, a bowling alley and a movie theater open to the public.

There is a public library, a community center, and a bi-weekly newspaper. Seven churches serve all major denominations. Belle Plaine's public school system serves children kindergarten through twelfth grade. Belle Plaine's commitment to serving the needs of the elderly is apparent by 102 elderly housing units in
the city. An additional 24 congregate housing units are being planned.

Nearby attractions include the Sac and Fox Indian Settlement near Tama and the Amana Colonies. Numerous cultural opportunities exist in the nearby metropolitan centers of Iowa City, Cedar Rapids, and Cedar Falls/Waterloo. Two universities, three private four-year colleges, two community colleges and a technical college are within one hour's driving distance.

Appearance. The city is very clean and attractive. It leaves a good impression with motorists traveling through town. Entrance ways are clean, especially the approach from the south.

Liabilities

Location. Belle Plaine loses much of its retail activity to Cedar Rapids. Cedar Rapids' malls and downtown business district draw shoppers away from Belle Plaine. Belle Plaine's location near U.S. Highway 30 facilitates these trips.

Lack of Lodging Facilities. There are no hotel or motel facilities in Belle Plaine. Sales representatives who call on local businesses are forced to stay in surrounding communities. Seasonal construction workers and truck drivers must also seek motel lodging elsewhere. Should the airport be built, accommodations may be needed for those flying in. In addition, Belle Plaine's location on the historic Lincoln Highway may draw tourists who may want to spend the night. A quality hotel or motel could meet these needs.

Lack of Rental Housing Units. There are 102 rental units provided for the elderly of which 98% are occupied. In addition,
there are 20-26 rental units provided for the general public; currently these units are nearly 100% occupied.

**Distance to Emergency Medical Facilities.** Although Belle Plaine has local medical services, emergency and prolonged medical facilities are not available locally. The closest emergency and long-term facility is in Marengo, 15 miles away.

**Quality of Telephone Service.** There has been some concern about the quality of phone service to Belle Plaine businesses. Discussions between affected businesses and General Telephone Co. of the Midwest may solve this problem.

**Lack of Community Cohesiveness.** In addition to elected officials, there are several citizen groups with an interest in Belle Plaine's economic development. This tends to cause confusion and unneeded duplication of projects. A single group responsible for economic development or a community foundation to serve as an umbrella for different citizen groups could alleviate this problem. Such a group could also encourage greater citizen involvement and create a positive self-image for Belle Plaine.
SECTION II
COMMUNITY ANALYSIS

Retail Trade Area Capture Analysis

Retail Trade Area Capture analysis can provide a good estimate of the number of retail customers who purchase goods or services in a particular community. This estimate is based on two assumptions: first, local consumers will purchase goods and services at a rate similar to the state per capita average, and second, the only cause for variation in this spending pattern is income. The Trade Area Capture is calculated by dividing actual local sales for each merchandise type by the state per capita sales, adjusted by local income relative to the state income:

Retail Trade Area Capture FormulaEquals

\[
\frac{\text{Local Actual Retail Sales of Merchandise Type Y}}{\text{State Per Capita Expenditures of Merchandise Type Y}} \times \frac{\text{Local Per Capita Income}}{\text{State Per Capita Income}}
\]

Table 2-1 shows the 1985 Retail Trade Area Capture figures calculated for Belle Plaine. These figures represent the total number of people attracted to Belle Plaine for each merchandise type. A breakdown of each merchandise type showing more specifically what each category contains is included in Appendix A.

To gain a more complete picture of the retail sector of a community, each merchandise type is divided by the population of
TABLE 2-1

1985 TRADE AREA CAPTURE ESTIMATES FOR BELLE PLAINE

<table>
<thead>
<tr>
<th>Merchandise Type</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>5152</td>
</tr>
<tr>
<td>Eating and Drinking</td>
<td>2811</td>
</tr>
<tr>
<td>Home Furnishings</td>
<td>--</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>8695</td>
</tr>
<tr>
<td>Services</td>
<td>2191</td>
</tr>
<tr>
<td>Specialty</td>
<td>1735</td>
</tr>
</tbody>
</table>


the community to determine whether purchases are being made by its own residents, or if the community is attracting customers from outside the city. If the Pull Factor exceeds 1 (Pull Factor > 1), then one or any combination of the following is happening:

1. The community is attracting customers from outside its city;
2. local residents are spending more than the state per capita average on that particular merchandise type;
3. the number of residents who go elsewhere (e.g., Cedar Rapids) to shop are being more than offset by the nonresidents that come to Belle Plaine to shop.

If the Pull Factor is less than one (Pull Factor < 1), then one or more of the following conditions are present:

1. The local area is not capturing all of its local residents;
2. local shoppers are spending at a rate lower than the state per capita average for that merchandise type;
3. the loss of shoppers to other locations is not being offset.
TABLE 2-2

PULL FACTORS

<table>
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<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>31</td>
<td>2.73</td>
<td>1.84</td>
<td>1.83</td>
<td>25</td>
<td>1.73</td>
<td>1.39</td>
<td>1.45</td>
</tr>
<tr>
<td>Eating &amp; Drinking</td>
<td>49</td>
<td>1.13</td>
<td>.86</td>
<td>1.00</td>
<td>69</td>
<td>1.15</td>
<td>1.19</td>
<td>1.04</td>
</tr>
<tr>
<td>Home Furnishings</td>
<td>0</td>
<td>.84</td>
<td>--</td>
<td>--</td>
<td>33</td>
<td>1.75</td>
<td>2.21</td>
<td>1.90</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>40</td>
<td>2.90</td>
<td>3.10</td>
<td>3.08</td>
<td>76</td>
<td>1.33</td>
<td>1.33</td>
<td>1.27</td>
</tr>
<tr>
<td>Services</td>
<td>138</td>
<td>1.61</td>
<td>.79</td>
<td>.78</td>
<td>236</td>
<td>.79</td>
<td>.71</td>
<td>.68</td>
</tr>
<tr>
<td>Specialty</td>
<td>63</td>
<td>.83</td>
<td>.61</td>
<td>.62</td>
<td>150</td>
<td>.92</td>
<td>1.08</td>
<td>.86</td>
</tr>
<tr>
<td>Total</td>
<td>321</td>
<td>.83</td>
<td>.61</td>
<td>.62</td>
<td>589</td>
<td>.92</td>
<td>1.08</td>
<td>.86</td>
</tr>
</tbody>
</table>


To get a clearer idea of just what Pull Factors can mean, it is necessary to compare them to an adjacent city over the same period of time. Table 2-2 compares Belle Plaine to Vinton (the county seat of Benton County) for 1980, 1984, and 1985.

Table 2-2 shows that in 1980, Belle Plaine was capturing more than its share in the Apparel, Motor Vehicles, Eating and Drinking, and Service sectors. By 1984, decreases in market shares left Apparel and Motor Vehicles the only merchandise types with Pull Factors of greater than 1. Eating and Drinking made a comeback in 1985 to rejoin Apparel and Motor Vehicles as activities that attracted more of the nonresident population. Belle
Plaine's ability to attract nonresident customers is probably best explained by the town's location.

In comparison, over the five-year time period Vinton has managed to capture more than its share of local residents; the only exceptions are Services and (at times) the Specialty category.

The most important feature to notice about the Pull Factors for Belle Plaine is that over the last five years the trend for Retail Trade Area Capture has been steadily decreasing in all six merchandise type categories. The only exception to this is the small dip and recovery in the 1984 to 1985 figures for Eating and Drinking.

Belle Plaine's aggregate market area was determined using "Reilly's Law", which

...gives an estimate of the maximum distance customers travel to shop in a certain community. It can be used by the chamber of commerce or merchant group in a city to find out how far their trade area extends toward the neighboring city. Reilly's Law argues people are attracted to bigger places to do their shopping, but the time/distance they must travel influences their willingness to shop there (Hustedde, et al., p. 24).

The underlying principle is that larger shopping areas are able to act as a magnet, attracting people from greater distances. Reilly's Law, then, is a rough indicator of geographic market potential. It does not describe actual behavior. If a community is attracting more customers than its trade area would indicate, it might be thought of as having a particularly well-structured retail sector. An estimate of Belle Plaine's aggregate market area is shown in Figure 2-1.
Using Reilly's Law, it was observed that a number of small towns are located within Belle Plaine's market area. These may account for many of the nonresident customers who come to Belle Plaine to purchase goods, who likely offset the number of Belle Plaine residents that go to Cedar Rapids for their purchases. Many auto and auto-related customers come from these small communities to Belle Plaine to make their car purchases and this may explain the relatively high pull factor of around 3.00 for Motor Vehicles.

**Industrial Economic Base Analysis**

This section of the report is intended to give the City of Belle Plaine a better understanding of its economic base. It is important for a community to know the different aspects of economic base analysis for the following reasons:

1. It identifies a community's basic and nonbasic sectors;
2. it can be used to forecast growth in these sectors;
3. it can be used to identify and evaluate the impacts of change in the basic and nonbasic sectors.

Before going into an economic base analysis, further background information must be presented on economic base activity. There are two types of industrial (economic) activity: basic (commonly referred to as export) activities and nonbasic (service) activities. Most businesses produce some goods to be locally consumed and some for consumption outside the community, so a given business cannot usually be classified as totally "basic" or totally "nonbasic".

Basic products are those that are consumed or purchased outside the community. To a large extent, it is these basic activities that dictate the strength of the local economy. Products sold outside the local area bring new income into the community. This income, in turn, is spent on locally consumed nonbasic goods. In order to understand the impact a new industry will have on a community, it is helpful for a city to know how many workers are considered basic and how many are nonbasic. This permits the calculation of a multiplier.

There are three assumptions used in calculating the local multiplier:

1. The productivity of an industry within the community is exactly equal to the industry's overall productivity at all sites;

2. a locality's share of employment equals its share of consumption, and

3. the locality consumes its own output and imports only what it needs.
How the Multiplier is Calculated

A useful approach for calculating Belle Plaine's multiplier is a technique called minimum requirements analysis. This technique involves a comparison of employment levels for various industries in several comparable communities. The community with the lowest fraction of its total employment in a particular industry conceptually defines the "minimum required activity" in that industry. The amount of employment in the industry over and above this fraction in another community is considered to be export related.

The first step in calculating a minimum requirements multiplier is to locate several communities that are in the same region. It is important that they are similar in population size. Table 2-3 shows the communities that were used in this

<table>
<thead>
<tr>
<th>Community</th>
<th>Population</th>
<th>Work Force Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belle Plaine</td>
<td>2903</td>
<td>1109</td>
</tr>
<tr>
<td>Garner</td>
<td>2908</td>
<td>1169</td>
</tr>
<tr>
<td>Grundy Center*</td>
<td>2880</td>
<td>1213</td>
</tr>
<tr>
<td>Harwarden</td>
<td>2722</td>
<td>1200</td>
</tr>
<tr>
<td>Independence*</td>
<td>6392</td>
<td>2740</td>
</tr>
<tr>
<td>Missouri Valley</td>
<td>3107</td>
<td>1267</td>
</tr>
<tr>
<td>Onawa</td>
<td>3283</td>
<td>1118</td>
</tr>
<tr>
<td>Tama*</td>
<td>2968</td>
<td>1030</td>
</tr>
<tr>
<td>Vinton*</td>
<td>5040</td>
<td>2151</td>
</tr>
<tr>
<td>Wilton</td>
<td>2502</td>
<td>1122</td>
</tr>
</tbody>
</table>

* Indicates communities in the same geographic region

analysis. Four of the ten communities used were located in the same geographic region.

Next, the minimum required employment level was calculated. The minimum requirement percentage was obtained by determining the percent of the total number of workers in each industry, and then comparing this percent to percentages of ten other communities of similar size. For example, for transportation workers:

percent of total number of workers - Belle Plaine 3.70%
- Vinton 2.70%
- Tama 9.71%
- Independence 4.05%
- Grundy Center 3.22%
- Onawa 7.78%
- Missouri Valley 5.60%
- Wilton 3.30%
- Garner 1.54%
- Harwarden 3.83%

LOWEST % OF TOTAL WORKERS (Minimum Req) - Garner 1.54%
- Harwarden 3.83%

Number of transportation workers in Belle Plaine = 41
Total number of workers times the lowest (minimum) percent.

1109 x 1.54% = 17

Number of workers in transportation minus minimum equals number of export workers.

41 - 17 = 24 export workers.

The multiplier is then calculated by dividing the total number of workers in the city by the total number of export workers in all sectors of the local economy (forestry through public administration). The results are presented in Table 2-4.

Discussion of the Multiplier

For Belle Plaine, the multiplier of 1.98 indicates that for every new job that comes in to the basic (export) sector, 1.98 total new jobs will result (i.e., .98 new jobs in the local sec-
## Table 2-4

**Minimum Requirements Multiplier for Belle Plaine**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Workers in Belle Plaine</th>
<th>Minimum Requirement (% of all Workers)</th>
<th>Export Workers in Belle Plaine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forestry/Fishing</td>
<td>0</td>
<td>0.00</td>
<td>0</td>
</tr>
<tr>
<td>Mining</td>
<td>0</td>
<td>0.00</td>
<td>0</td>
</tr>
<tr>
<td>Construction</td>
<td>68</td>
<td>4.16</td>
<td>22</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>254</td>
<td>5.45</td>
<td>194</td>
</tr>
<tr>
<td>Transportation</td>
<td>41</td>
<td>1.54</td>
<td>24</td>
</tr>
<tr>
<td>Wholesale</td>
<td>81</td>
<td>2.52</td>
<td>53</td>
</tr>
<tr>
<td>Retail</td>
<td>254</td>
<td>14.62</td>
<td>92</td>
</tr>
<tr>
<td>Finance/Insurance/Real Estate</td>
<td>30</td>
<td>1.42</td>
<td>14</td>
</tr>
<tr>
<td>Business/Repair Services</td>
<td>35</td>
<td>0.30</td>
<td>32</td>
</tr>
<tr>
<td>Entertainment/Entertainment/Rec.</td>
<td>50</td>
<td>2.45</td>
<td>23</td>
</tr>
<tr>
<td>Professional/Related Services</td>
<td>257</td>
<td>14.43</td>
<td>97</td>
</tr>
<tr>
<td>Public Administration</td>
<td>16</td>
<td>1.44</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>23</td>
<td>1.39</td>
<td>8</td>
</tr>
</tbody>
</table>

| Total Number of Workers         | 1109                              |
| Total Number of Export Workers  | 559                               |
| Multiplier (1109/559)           | 1.98                              |


In addition to the one new export job, there are 1,109 total number of workers employed. Of these, 230 are basic (export) workers and 879 are nonbasic (local) workers.

The multiplier should be viewed only as an approximation. It tends to overstate the impact of new basic jobs in the short-run. This is because excess capacity is likely to exist in the local sector, meaning a limited number of new basic workers can be accommodated by the existing local sector.

It is important to understand that the multiplier only takes effect when the excess capacity of nonbasic workers is taken up. For example, if a new basic sector company comes to Belle Plaine
and employs 10 workers, the multiplier would forecast that almost 10 new nonbasic jobs would be created. This would only be likely, however, if the existing nonbasic jobs were producing at their maximum. Otherwise some, if not all, of the 10 new jobs forecasted would be absorbed by the current nonbasic sector.

Also, multipliers work best when they are applied to larger changes for a community. If a small, basic sector company that employs 5 people comes to Belle Plaine, it is unlikely that as many as 5 nonbasic jobs would be created. For larger basic employers and under conditions of no excess capacity in the local sector, the multiplier does provide an adequate estimate of the local employment effects on new export base industrial development.

Conclusion

Belle Plaine’s overall economic base is, in general, a healthy one in comparison to other communities of similar size. It is not unusual, considering Belle Plaine’s location, that the retail sector, and especially the service, specialty, and furniture retailers, lose customers to larger cities (e.g. Cedar Rapids). The industrial sector employs workers that are residents of the city, along with those who live in the surrounding areas. Belle Plaine’s economy has been relatively stable over the past few years and this trend can be expected to continue, fluctuating only as the state and national economies do.
SECTION III  
ECONOMIC DEVELOPMENT ACTIONS

The following section examines three projects intended to facilitate economic development in Belle Plaine. They represent a spectrum of possibilities from infrastructure improvements to creative financial assistance programs to coordinated community development efforts. These actions were identified by Belle Plaine community leaders; however, the city should be open to other economic development programs.

Belle Plaine Airport Feasibility Study

The City of Belle Plaine is currently investigating the feasibility of an airport project which may be constructed in conjunction with a city-owned industrial park. Local residents who favor taking direct actions to attract new businesses to Belle Plaine provided the impetus for the project. These local citizens include members of the City Council, the Belle Plaine Development Corporation (a group of local investors interested in acquiring land for future development), and the Belle Plaine Improvement Corporation (a group with capital available for speculative ventures), along with several other interested individuals.

The site of the proposed project is southwest of the city and is accessible from State Highway 21. It is located within the city limits and includes 120 acres (Figure 3-1) of which 70 acres is designated for the airport and the remaining 50 acres for the industrial park. The Church of the Latter Day Saints presently
Figure 3-1

AIRPORT INDUSTRIAL PARK
(52 ACRES AVAILABLE)
BELLE PLAINE, IOWA
owns the land for the airport/industrial park project.

On October 29, 1986, a City Council subcommittee made up of the Belle Plaine Development Corp., the Steering committee, the Belle Plaine Improvement Corp., and the Airport committee, voted to recommend that the City Council proceed with an appraisal of the designated land. The committee recommended that the City purchase the land, even though, at this time, sufficient funds to buy the land have not yet been accumulated.

Description of Industrial Park Project

The industrial park portion of the airport project includes 7 sites that are zoned industrial. Table 3-1 details the size of each site.

TABLE 3-1

SIZE OF EACH OF THE BELLE PLAINE INDUSTRIAL PARK SITES

<table>
<thead>
<tr>
<th>Site Number</th>
<th>Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5.3 acres</td>
</tr>
<tr>
<td>2</td>
<td>5.3 acres</td>
</tr>
<tr>
<td>3</td>
<td>8.5 acres</td>
</tr>
<tr>
<td>4</td>
<td>9.0 acres</td>
</tr>
<tr>
<td>5</td>
<td>6.5 acres</td>
</tr>
<tr>
<td>6</td>
<td>8.8 acres</td>
</tr>
<tr>
<td>7</td>
<td>9.0 acres</td>
</tr>
</tbody>
</table>

Total Available 52.4 acres

Description of Airport Project

The Belle Plaine Airport project calls for the construction of a Basic Utility I, paved runway airport (categorized as a General Aviation III in the 1985 State Airport System Program). It will be located on approximately 70 acres of the total 120 acres set aside for the project. This type of airport is designed to serve twin-engine and single-engine aircraft. It supports low aviation activity levels and it requires a 3,400-foot paved primary runway (Iowa DOT, p. 44).

Development of the airport is divided into three stages (Iowa DOT, p. 44). The first phase includes:

1. acquisition of the land
2. the construction of a 3800 foot long paved and lighted runway
3. completion of an apron area and connecting taxiway
4. construction of an access road and parking lot
5. installation of navigational aids
6. installation of a buried fuel tank
7. construction of a six-stall T-hangar

Phase Two is to be undertaken as demand for airport facilities increases and is to include possible expansion of the apron and T-hangar to provide additional area for airplane tie-downs along with the construction of a terminal/FBO building.

The third phase involves the future expansion of the airport and its facilities in order to increase operational efficiency and capacity.
Sources of Funding

There are three basic sources of funds available for such a project: private funds (fund raisers), state funds, and federal funds.

Private Funds (Fund Raisers)

The Belle Plaine Four Corner Industrial Air Park fund-raising efforts have provided the city with over $82,000.00. The City has pledged to continue its fund raising efforts until the necessary capital is secured.

State Funding

The State of Iowa provides funds through the Department of Transportation’s Aviation Division for new airports and airport improvement projects. Typically, the State portion is 70% of the total project, with the local municipality responsible for the remaining 30%. The DOT has already allocated its funds for this fiscal year (1987). Informal discussion with a representative of the DOT has indicated that Belle Plaine is in a favorable position to receive funds in the next fiscal year (which starts July 1, 1987). To improve the City’s chances of obtaining state funding, the DOT recommended that the city demonstrate its commitment to the project. This is being accomplished through the recent action of the City in acquiring the funds necessary to purchase the proposed project site.

If the land is purchased by the City this year, the amount of money spent can be used as a credit toward the City’s 30% of the total project cost.
Federal Funding

Federal funding from the Aviation and Aeronautics Trust Fund is available for the paving of the runway and airport lighting. These funds, however, will be provided only if the Belle Plaine Airport is a member of the National Integrated System of Airports, which in turn, is dependent upon the airport having a minimum of 10 based airplanes. Federal funds supply 90% of the request, while local sources make up the remaining 10%.

Cost Summary

Table 3-2 shows the estimated costs of the airport/industrial park project based on the following assumptions:

1. State and federal funding apply only to the airport portion of the project.

2. Cash donations total $82,000.

3. General Obligation Bonds totaling $186,360.00 are floated.

4. The bonds mature over a 10-year period, in such a way that total debt service is approximately the same each year.

5. The average interest rate on the bonds is 6.50%.

6. Revenue from airport services covers operating costs.

Based on these assumptions, the consolidated levy for residents of Belle Plaine would increase from $29.82 per $1,000 of assessed valuation to $30.48 per $1,000 of assessed valuation (for the term of the bond). This would amount to about a $13.23 property tax increase for an owner of a $20,000 assessed valuation home. The owner of a home whose assessed valuation is $50,000 would experience an increase of approximately $33.07 in his/her yearly tax bill.
### TABLE 3-2
**DEVELOPMENT COSTS OF PHASE I:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Local Share</th>
<th>Federal Share</th>
<th>State Share</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition and Fees</td>
<td>$59,420.00</td>
<td>$126,980.00</td>
<td>$181,400.00</td>
<td></td>
</tr>
<tr>
<td>Runway, Taxi, &amp; Apron Grading</td>
<td>$35,070.00</td>
<td>$81,830.00</td>
<td>$116,900.00</td>
<td></td>
</tr>
<tr>
<td>Runway, Taxi, &amp; Apron Paving</td>
<td>$57,590.00</td>
<td>$518,310.00</td>
<td>$575,900.00</td>
<td></td>
</tr>
<tr>
<td>Lighting &amp; Navigational Aids</td>
<td>$7,280.00</td>
<td>$65,520.00</td>
<td>$72,800.00</td>
<td></td>
</tr>
<tr>
<td>Hangar Development</td>
<td>$99,800.00</td>
<td></td>
<td>$99,800.00</td>
<td></td>
</tr>
<tr>
<td>Buried Fuel Tank</td>
<td>$14,200.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$268,360.00</td>
<td>$583,930.00</td>
<td>$208,810.00</td>
<td>$1,061,000.00</td>
</tr>
</tbody>
</table>

**FINANCING THE LOCAL SHARE**

- Cash Donations: $82,000.00
- General Obligation Bond Issue: $186,360.00

- Number of Semi-annual Interest Payments: 20
- Duration of Bond: 10 years
- Net Interest Cost of Bond Issue: 6.50%
- Total Assessed Valuation: $38,840,522.00
- Less Industrial Park Property: $100,000.00
- Revised Assessed Valuation: $38,760,522.00
- Approximate Annual Debt Service: $25,635.27
- Tax Increase Required: $38,760,522.00
- Revenue Required Yearly: $25,635.27
- Additional Levy per $1,000 of Assessed Valuation: 0.6614

#### COSTS TO TAXPAYERS

<table>
<thead>
<tr>
<th>Assessed Home Value</th>
<th>Without Airport</th>
<th>With Airport</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20,000</td>
<td>$596.40</td>
<td>$609.63</td>
<td>$13.23</td>
</tr>
<tr>
<td>$30,000</td>
<td>$894.60</td>
<td>$914.44</td>
<td>$19.84</td>
</tr>
<tr>
<td>$40,000</td>
<td>$1,192.80</td>
<td>$1,219.26</td>
<td>$26.46</td>
</tr>
<tr>
<td>$50,000</td>
<td>$1,491.00</td>
<td>$1,524.07</td>
<td>$33.07</td>
</tr>
</tbody>
</table>
Discussion of Airport/Industrial Park Project

The airport would be a Basic Utility I facility. This means it is classified as a low service airport for single or twin engine planes. These types of aircraft are typically used for pleasure flying, not for cargo shipping, which means the airport facilities will most likely be used by those people interested in taking their plane out for a few hours of fun.

Local business people have expressed the opinion that their business representatives and upper management people may use the airport. This is feasible only if the type of plane they use can land on the 3,800 foot runway. At least until the runway is paved, it is more logical to assume that most business flyers would opt to fly in and out of the Cedar Rapids Municipal airport, which is only about 35 miles away.

The issue of weather dependency is a crucial one for the citizens of Belle Plaine to discuss. Due to the design of the airport, it will operate under Visual Flight Rules (VFR) as opposed to Instrument Flight Rules (IFR). This means that the airport will be open only when visibility is at least 3 miles and the cloud cover ceiling is at or in excess of 10,000 feet. The Flight Operations Supervisor at Cedar Rapids Municipal Airport estimated that there would have been approximately 110 days last year when a VFR airport at Belle Plaine would have been closed.

For another 130 days, flight operations would have been marginal (visibility of 5 miles and a ceiling of 30,000 feet). This means that somewhere between 110 and 240 days a year, the airport would have been inoperable and business or pleasure planes attempting to land there would have to be diverted to an IFR air-
port, such as the one in Cedar Rapids. Such estimates are, of course, subject to yearly variations in weather conditions.

A study was conducted by Clappsaddle-Garber Associates of Marshalltown, Iowa, in May of 1986 to advise the City of the feasibility of an airport/industrial park project. Their study indicated that approximately nine aircraft would be located in Belle Plaine's immediate service area and may potentially be based there.

The feasibility study further indicates that the airport is expected to have approximately 16 airplane landings and takeoffs per day. This estimate is based on the number of registered airmen in the area, population of the anticipated service area, and the projected number of based aircraft at Belle Plaine.

The number of based aircraft is projected by making the assumption that the ratio of pilots to the state population will remain stable. This assumes that there will be 79 airmen residing within the airport service area by the year 1990. Based aircraft by 1990 is anticipated to be from 11 to 17. Estimates for the year 2002 range from a low of 12 to a high of 18 based aircraft.

The basing of planes at any airport depends on hangar rental and maintenance fees, availability of ground services (repairs, fuel, etc.), airport type (visual versus instrument landing capabilities), runway length and condition. All of these factors, in addition to distance from residence, influence where a person will base his or her plane. It is logical to assume that stiff competition will come from the Cedar Rapids airport.

It should be remembered that the Clappsaddle-Garber predic-
tions are merely rough estimates and if the actual number of
users and based aircraft are lower, then Belle Plaine may have a
difficult time keeping the airport in operation. It should also
be stressed that federal funds are contingent upon the Belle
Plaine airport having at least 10 based aircraft. If this criti-
cal number of based aircraft is not achieved, Belle Plaine would
need to contribute a greater share of the construction costs.

It is important to stress once again that the decision to
proceed or not proceed with the airport project will hinge upon
the likelihood of the above estimates becoming a reality. If
future airport activity does meet or exceed these estimates, then
the operating costs of the airport should be met by anticipated
airport revenues. If, however, the actual level of airport acti-
vity is less than the estimates, the City may face operating
deficits.

The Industrial Park

As stated earlier, the planned industrial park would consist
of approximately 45 acres of land located next to the airport.
It is important to note, however, that simply having an
industrial park does not guarantee that any businesses will
choose to locate there. Major competition will come from several
cities located near Belle Plaine that have their own industrial
parks with available land and sites already located in the City.
Table 3-3 describes some industrial parks within approximately 30
miles of Belle Plaine and how long the sites have been for
sale/lease.
### TABLE 3-3
MAJOR COMPETITION TO BELLE PLAINE’S INDUSTRIAL PARK

<table>
<thead>
<tr>
<th>City</th>
<th>Remaining Acres Available</th>
<th>Utilities on Site?</th>
<th>Airport Nearby</th>
<th>For Lease or Sale How Long?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brooklyn</td>
<td>40</td>
<td>Across the street</td>
<td>No</td>
<td>&quot;Years&quot;</td>
</tr>
<tr>
<td>Cedar Rapids</td>
<td>1,500+</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Grinnell</td>
<td>73</td>
<td>Yes</td>
<td>Yes</td>
<td>Mid '70s</td>
</tr>
<tr>
<td>Vinton</td>
<td>68</td>
<td>Yes</td>
<td>Yes</td>
<td>1979</td>
</tr>
</tbody>
</table>

Many considerations go into an industry’s decision of where to locate. It is important to understand that simply having sites available, even if all utilities and infrastructure are provided, does not insure that firms will move to Belle Plaine. Other factors such as availability of potential employees with appropriate skills, access to markets, wage rates, transportation costs, public facilities, the political climate and the intangible qualities of life are all dynamics of the location of industry.

Therefore, before any additional investments are made to improve the industrial sites by providing utilities, a strong commitment should be received from industries of their intention to locate in the Belle Plaine industrial park.
Revolving Loan Fund

In this section of the report we describe the basic requirements for establishing a revolving loan fund. Specifically, we identify the necessary considerations and their feasibility in relation to Belle Plaine. The term revolving loan fund (RLF) has become a generic term for creative financing strategies that attempt to facilitate the relocation or expansion of operating businesses (both local and non-local), and the opening of newly formed businesses. With this in mind, we describe the requirements for a traditional RLF and several creative approaches to financial assistance. Finally, we discuss the potential for an RLF and other funding strategies in Belle Plaine.

Over the past several years, state and local governments have found themselves competing intensely for industries seeking to expand or relocate. Tax programs such as accelerated depreciation have significantly increased the mobility of capital and consequently industries. Because of this competitive environment, local governments and private development organizations have found it necessary to become more innovative and creative in developing financial assistance programs. An increasingly popular program that has been implemented in many cities is a revolving loan fund (RLF).

An RLF is used to provide loans to businesses that cannot secure adequate amounts of capital from private lending institutions. In addition, loans can be offered at below market interest rates and for longer terms than conventional loans. The availability of capital is, of course, an important determinant of industrial location (National Center for Small Communities
Report, p. 3). By acquiring capital at no interest or below market interest rates, the firm can increase its rate of return and reduce its risk on investment. Low interest capital provided by local governments and private development groups is generally intended to be applied to location or expansion situations that require a greater risk than the portfolio of local banks can absorb. Businesses that are just starting up or seeking to expand may have great need for this type of funding.

Another attractive feature of a local RLF is its ability to offer funds over a longer term than conventional loans. This allows growing firms to put a larger share of their profits back into the company. Over time, reinvestment would potentially lead to further growth and financial stability for the firm.

Capital from an RLF can also be used to leverage public and private dollars. Leveraging is the ability to couple loan fund dollars with public and private funds that would not be available without the money from the loan fund. This includes using RLF dollars to fulfill matching fund requirements attached to many outside capital sources. By using RLF money to leverage other funding sources, the city would minimize its investment in each project which in turn would allow the city to fund more programs. Revolving loan funds may also be used as "gap" financing which is using money from the RLF to fill the gap between the amount of private capital available and the total amount of capital needed.

An RLF uses the repayment of loan fund dollars to replenish over time the loanable amount of capital. There are several important structural requirements that must be satisfied before a local RLF can be implemented effectively.
Start up Capital

The initial requirement for a viable revolving loan fund is an adequate amount of start up capital. It is difficult to say how much is needed to adequately supply funds to interested industries without quickly depleting the fund. Literature on revolving loan funds sets the mark at a minimum of $250,000, but this figure is usually applied to larger communities with several investment possibilities. The minimum amount of money required depends upon the expectations of utilization by the group organizing the fund. The fund needs to be a sufficient amount so that the entire fund is not loaned out before the revolving aspect of the program has taken place. This may require that only a certain percentage of the total fund be loaned out over the first year or two of the program.

For example, the city may only want to commit 60% of its total fund during the first year of operation. This would ensure that some portion of the fund would be available in the future. The extent to which this type of caution would need to be exercised depends upon the anticipated cash flow from the repayment of the initial loans (both principal and interest), and the level of demand for RLF capital.

Funding Source

The community also needs to be well aware of all potential funding sources. Gaining this knowledge demands a substantial investment of time and resources by someone in the community. There are several sources of funding that have traditionally been
used to initially capitalize an RLF.

Community Development Block Grant (CDBG) Funds. Many communities across the country use CDBG funds for initiating a local RLF. This presents a problem for smaller communities in Iowa because non-entitlement cities (defined as cities with a population under 50,000) cannot use CDBG money for local revolving loan funds.

Economic Development Administration (EDA) Title IX Program. In 1986, this federal program will spend approximately 60% of its 12 million dollar budget on rural RLF's (National Center for Small Communities Report pg.3). This money is reserved for highly depressed areas across the country (specific criteria have been set by the EDA). According to officials at the East Central Iowa Council of Governments (ECICOG), all of Benton County has been declared economically depressed. At this time ECICOG is applying for EDA money that would be used to capitalize a regional RLF. If this program is made operational, Belle Plaine would be eligible to submit applications on behalf of local applicants. Assuming that ECICOG's application for EDA funding is turned down, it appears highly unlikely that Belle Plaine would be able to secure the same kind of funding to capitalize a local RLF. More will be said about the possible ECICOG RLF later in this section.

Private Foundations. There are private non-profit foundations that provide grants to worthy causes. Although information on private foundations is limited, it seems the potential for receiving money from this source is not exceptional. However, it
may be profitable for the city to investigate more fully the potential for financial support from private foundations. Included in the appendix is a list of catalogs that detail the operations of these foundations.

Local Donations and Fund Raisers. The most successful local economic development efforts will involve as many people in the community as possible. A great deal can be gained by coordinating the efforts of the city's civic leaders and the entire citizenry (a full discussion of this topic is included in the Community Foundation section of the report). Donations from local businesses, the Chamber of Commerce, and individual citizens could be used as part of the capital needed to start a local RLF. There may also be local fund raisers that could be used to raise money for an RLF.

Taxation. It may be possible to increase local taxes slightly to provide some start up capital for an RLF. Tax revenues would not be the only source of funds used to capitalize the RLF. Instead they would be used as a small portion of the total fund. In addition, the tax increase would only be implemented for one year because it is only required for part of the initial funding of the program. This would be a very difficult political decision to make. There are several aspects of a proposed tax increase that will have to be considered. First, city officials should assess how flexible the current tax rate is. The flexibility of the tax rate refers to how much of the citizens' income is required by the current tax rate, and how a slight increase would affect the disposable income of local taxpayers. Again, city officials should attempt to gauge the possible demand for a
local RLF (this refers to demand by businesses and industries not the public). It may be that initially the fund will not be highly utilized. If this is the case, the city could invest the unused portion of the RLF not generated by taxes in an interest earning account to increase the fund balance. This would raise additional capital and nullify the need for taxation. This funding source should only be considered after all other funding options have been exhausted.

With the exception of CDBG money, all of these sources could be used to capitalize a local RLF. Taken separately, each would probably fall short of raising the capital necessary to begin an RLF. But by combining several of these sources, it may be possible to initiate the program. It should be emphasized that the key to effective local development efforts is the ability to combine creative ideas with rational thought. New ideas can lead to important contributions to local development. At the same time the overall well-being of the people of Belle Plaine should not be jeopardized by speculative ventures. Speculation refers not only to the use of tax revenues, but also the use of any money that could be used for an alternative public purpose.

**Administrative Costs**

Once an RLF has been established, the city is ready to receive loan applications and evaluate each one for potential investment. Applications would be evaluated by a technical advisory committee. The committee's evaluation criteria would include:
1. An evaluation of the creditworthiness of each applicant;
2. an analysis of the extent to which the applicant had first attempted to utilize private funding (and why they were turned down);
3. an evaluation of how private money may be combined with other public and private sources of capital.

In cities already utilizing an RLF, the advisory committee consists of local civic leaders including lawyers, bankers, city officials, local business leaders, realtors, and economic development planners (or volunteers actively involved in development efforts).

Ideally, the advisory committee would consist of local civic leaders who have the necessary expertise and are willing to volunteer their time. This helps minimize the cost of technical assistance and ensures the proper expert consideration. If the group or agency administering the RLF has to pay a qualified staff, the cost of the fund will increase. It should be noted that it is absolutely essential to have professionals review loan applications. A careless review process may lead to an increase in the number of loan defaults and consequently, the elimination of the initial pool of capital. On the other hand, it may be possible to add to the total loanable fund by charging a percentage fee for the provision of technical assistance. This fee could at least be used to cover any cost incurred for professional services.

Tendency Toward Self Depletion

RLF’s tend toward self depletion over time. This is because money is loaned out at below market interest rates resulting in
returns from repayment that are not sufficient to maintain the real value of the fund. If loans are consistently made at a rate of return below the inflation rate, the real value of the money will diminish over time (Georgia Power Company Research Report, p. 8). To combat any gradual depletion of the loanable pool of capital it may be necessary to provide an infusion of outside money periodically during the life of the fund.

In addition, capital from an RLF will tend to be loaned to higher risk firms. Because many loans assume this higher risk, defaults or delinquent payments are more likely to occur. It may be possible to balance out some of the potential losses associated with higher-risk, low interest investments by loaning out some money at near-market interest rates. The hope would be that capital gains, at a rate of return above the rate needed to maintain the real value of the fund, would balance out losses from delinquent payments or loans below the inflation rate.

Creative Financing Alternatives

This section of the report discusses several creative financing alternatives. The following is not an exhaustive list of potential programs but rather a set of examples of the types of strategies available to innovative city leaders.

RLF with Substantial Commitment from Local Lending Institutions. This financing program utilizes funds from local lending institutions as well as city and/or private money. (For simplicity, we will assume that the local lending institutions and the city are the only two contributors.) The local banks and the city commit a specific amount of money to the RLF. Any money
used from the loan fund is paid back at below market interest rates. The banks receive the market rate of return on their investment. The city receives an interest rate on public funds lower than the overall interest rate offered in the loan agreement. By accepting an interest rate below the repayment interest rate, the city is buying down the market interest rate.

For example, suppose the fund loaned out $25,000, of which 25% came from each of the two local banks and 50% from public sources. The payment schedule would be at a 6% interest rate but the banks would receive a 10% return and the city would receive a 2% return. The banks would receive their interest payments to reinvest in other projects. The principal would revolve through and be loaned out under the same basic arrangements (sensitive to changes in the market interest rate).

One drawback associated with the above discussion is the substantial commitment of public funds to each loan. Again, the city should minimize the amount of money pledged from a local fund. This could be done by applying for state and/or federal money and using local funds as a match, or by using it as "gap" financing to secure a loan that would normally be denied by private lending institutions. This financing option is simply an interest buy down with local funds making up a substantial part of the loan. In addition, it requires a substantial commitment from local banks.

Often, projects that intervene into the private capital market are seen as a threat to private lenders. The intent of a public financial assistance program should be to provide capital to businesses that are unable to secure funds through the private
market. The success of any local financial assistance program is highly dependent upon the cooperation between the city officials and local financial institutions.

**Piggy-backed Loan Fund.** As discussed earlier, there are a number of important criteria upon which an RLF must be based. There are several administrative requirements related to the application, approval, and repayment of loans. In addition, it is difficult to raise a great deal of start-up capital. The ideal situation would be piggy-backing local funds on top of a separate loan program. By doing so, the city could minimize administrative costs and make smaller loans.

As mentioned earlier, the East Central Iowa Council of Governments (ECICOG) is currently applying for Economic Development Administration funds which would be used to capitalize a regional RLF. Local governments in the east central region would apply for loans for local projects. The ECICOG staff would evaluate each application and grant loans to qualified businesses.

Belle Plaine could utilize the administrative expertise of ECICOG as an initial determinant of whether or not an applicant is qualified for loan money. This would not be the sole criterion for application acceptance. Local officials would want to be involved in the decision-making process, including a decision on the amount of local funding that should be committed.

There is a possibility that matching funds would be required in order to receive an ECICOG loan. Assuming matching funds would be required, local funds could be used to loan out the necessary matching capital. By piggy-backing funding, Belle Plaine could reduce the amount of money applied for through the
ECICOG RLF, thereby increasing their chance of application approval.

Finally, if ECICOG were to establish an RLF, there may not be an outstanding need for a local RLF or loan pool. The decision would depend upon:

1. The demand for financial assistance by businesses interested in Belle Plaine. If demand is high, the regional RLF may not be able to supply all of the necessary funding (because of the overall demand for regional funding);

2. the ability to gather the necessary capital for the initial pool of money;

3. the matching fund requirements of the ECICOG RLF. If there are matching fund requirements, a small local loan pool may be a valuable tool to assist interested businesses.

The Possibility of an RLF in Belle Plaine

The feasibility of an RLF in Belle Plaine is highly dependent upon the ability of the community to raise the necessary start-up capital. Considering the projects currently being pursued by the city, specifically the airport project, the possibility of raising the necessary capital through local fund drives or private contributions is limited. State and Federal funding for a local RLF is scarce. RLF is scarce. It seems that there are many obstacles standing in the way of this type of program in Belle Plaine.

In addition, there are two questions that must be addressed before any attempt is made to capitalize a local revolving loan fund. They are:

1. Is there a demand for capital that can be loaned out under more flexible terms? If the city gathers the money to capitalize an RLF, they would want to loan out
the money. If loans are not made, the money would be under-utilized because it could be used for something else. The demand for an RLF will be closely related to the flexibility of the loan terms offered by local banks.

2. What kinds of projects would be funded by a local RLF? The fund could make loans to local businesses that need capital for expansion, leading to more jobs or higher wages for current employees. Alternatively, loans could be made to commercial businesses for interior or exterior renovation. The choice of who to make loans to should consider not only the business' ability to secure private money, but also the implications of the project for overall economic development.

Financial Assistance Without A Revolving Loan Fund

Although the requirements for an RLF in Belle Plaine may not be able to be met, there are state and federal programs that provide financing options for economic development activities. These programs range from grants to interest buy-downs. Although state and federal programs provide necessary capital, they do have some basic limitations. These limitations include:

1. A lengthy application process. Sometimes termed the "bureaucratic time lag", this problem is inherent in most government programs. The various state programs attempt to minimize this potential constraint.

2. A lack of flexibility. The terms of the financial assistance are set by the agency issuing the money. There is little or no opportunity for negotiation and compromise.

3. A set of criteria governing the use of the capital provided. Many of these programs, including those that use CDBG money for funding, have guidelines that either limit how the money may be spent or establish a minimum requirement of what the results of the project should be.

Following is a discussion of various State and Federal financial assistance programs.

Community Economic Betterment Program (CEBA). Established by the Iowa Legislature in January of 1986, "this program provides grants and loans to political subdivisions to aid in economic
development. All cities, counties, and merged area schools are eligible to apply for the benefit of any business or industry" (Johnson, p. 19). Applications are accepted monthly and are reviewed on a competitive basis. The criteria for application approval include:

1. The total number of jobs created or retained.
2. The proportion of local match to be provided.
3. The level of need in the political subdivision.
4. The impact of the proposed project.

Application decisions are normally reached within 30 days of the application deadline, but an emergency review session can be held for projects under time constraints.

**Economic Development Set-Aside Program.** Using CDBG program funds, the Iowa Department of Economic Development (DED) has created a fund that is available to cities and counties for subsidizing business loans. Entitlement cities are not eligible for these funds. All other locations including the suburbs of entitlement cities are eligible.

Applications are evaluated on a competitive basis and are assigned points based on the following criteria:

1. The greatest number of jobs with the least amount of subsidy (100 pts. possible).
2. The percent of private funds used to finance the project (100 pts. possible).
3. The need for a subsidy and the projects impact on the local economy (200 pts. possible).

The maximum grant amount is $500,000 and there is no minimum.

**Financing Rural Economic Development (FRED).** FRED is a State program that provides financial assistance to small manufacturing
firms that are located in rural communities. Funding can be made in the form of grants, loan guarantees, or subordinated debt.

To be eligible, a business must be beyond the outer boundary of any "city having a population of 25,000 or more and its immediate adjacent urban area with a population density of 100 persons per square mile as determined by the Secretary of Agriculture" (Johnson, p.22). The program is designed to provide "gap financing" for small firms employing five to twenty persons with an emphasis on firms that will hire primarily low income workers.

SBA Section 7(a), Regular Business Loans. The federal Small Business Administration (SBA) "can guarantee a loan from a regulated financial institution, where the loan would not otherwise be made due to collateral or other considerations" (Johnson, p.6). The application process is as follows:

1. The small business applies to a financial institution;
2. the financial institution approves the loan based on an SBA guaranty;
3. the financial institution applies to SBA.

SBA Section 504, Certified Development Company. This program is administered by Certified Development Companies (CDC’s). The only CDC operating on a state-wide basis is the Iowa Business Growth Company (IBGC). "The purpose of the program is to stimulate growth and expansion of small businesses by providing long-term, fixed asset financing at below market interest rates" (Johnson, p.8). Funding is based primarily on job creation or retention opportunities although community need is also an important consideration.

The availability of capital is an important consideration for
firms that are expanding or relocating. Given an appropriate level of demand and the proper financing terms, a local RLF would be a positive economic development tool. However, there are alternative sources of capital that can provide the necessary financial assistance. The ability of communities to utilize available funding sources, either local, state or federal, will be an important determinant of their success in economic development.

Appendix B consists of a list of groups and agencies that may be able to provide additional information concerning the financial assistance programs previously discussed. There is also a list of catalogs that provide additional information on private foundations.
A Community Foundation for Belle Plaine

A recent edition of the Belle Plaine Union reported on a community survey of the needs of 28 Iowa communities. The top priority, as reported by these communities, was "Improve community attitudes--increase optimism and interest in improving the community." The story went on to say that while involving outside experts may be helpful, it is up to the citizens of the community to see that their economic development priorities are met.

Economic development, to be successful and equitable, needs the involvement of as many citizens as possible. In addition, it needs to be well organized and committed to well-defined goals. One mistake many communities make is that too many groups, some with divergent interests, are involved in economic development. In some towns, for example, special ad hoc committees may be replicating or working at cross-purposes with the Chamber of Commerce or some other local development organization. One way to avoid these problems of divisiveness and/or duplication is to create an umbrella group, a community foundation, to coordinate economic development programs. Such a foundation would maximize citizen involvement while helping to foster improved community attitudes and optimism.

A community foundation is a group made up of citizens--local manufacturers and retailers, government officials, and local residents. The group is chartered as a private, non-profit organization dedicated to the improvement of the community. Under the umbrella of the community foundation, citizens work together to improve the economic climate and the overall quality of life in their community. Foundation committees address community issues
and find ways to solve problems or create new opportunities. The resulting solutions belong to the efforts of citizens, thus creating a new sense of pride and unity in the city.

A community foundation is not meant to be a substitute for the functions of local government. Rather, the foundation should work in concert with elected officials to reach community goals. Because the foundation is a privately chartered, non-profit organization, the gift and travel laws which constrain government officials are not binding on the foundation. Thus, the foundation can work more aggressively for economic development and community betterment. However, it is imperative to the success of the foundation that it develop and agree on goals together with elected officials. Both city hall and the foundation have to work together at improving the community's quality of life.

The city of Grinnell, Iowa, has been very successful with this type of foundation. Grinnell 2000, that city's foundation, has met with great success in involving citizens in the development process. In addition, Grinnell 2000 committees made up of local government and business leaders, as well as private citizens, have addressed many local quality of life issues with an eye toward making the city a better place to live and work. Business groups such as the Chamber of Commerce, as well as local government and businesses, have worked together in Grinnell 2000 and have successfully planned and completed several projects which improve Grinnell's physical appearance and economic climate. As a result, local pride in the community has increased, and optimism prevails.

It may be beneficial for Belle Plaine to establish a similar
program, tailored to the unique needs of the Belle Plaine community. The following is one way that such a foundation could be established. It is meant only as a guideline, and the city should tailor the plan to meet the city’s needs.

Why a Foundation?

As mentioned above, the main purpose of the foundation would be to increase citizen involvement in improving the quality of life in Belle Plaine. There are four major reasons for creating such an organization.

**Improved Community Attitudes.** Many Belle Plaine residents have a negative view of the city’s future. This presents a problem for local development officials in trying to present Belle Plaine in a positive way to prospective industries. In addition, citizens often feel that government and local development efforts are unresponsive to their needs and desires. A community foundation could go a long way toward giving citizens a greater voice in community affairs while improving citizen’s attitudes.

**Provide a Framework for Planning Projects.** The foundation would provide the necessary framework for identifying community needs, planning city projects, and implementing new programs. In addition, it could be the vehicle by which citizens could evaluate the effectiveness of different projects.

**Provide a Source of Funding for Community Projects.** The foundation could use the money it raises to partially or completely finance the projects it proposes. In addition, these funds could be used for other projects in the community which are of benefit to citizens.
Provide Consistency and Cooperation. When city development officials are acting under the advisement of the foundation, citizen input becomes part of the process. In addition, the foundation provides a united front which development officials can rely upon when making economic development decisions. This also displays a positive image to prospective industries.

Structure of the Foundation

A community foundation should be structured so that citizen participation is maximized. Following is a guideline for structuring the foundation. Belle Plaine foundation leaders will want to structure the foundation in order to best meet the unique needs of the community.

Membership of Citizens. Citizens are the anchor of a community foundation. It is imperative to the success and survival of the foundation that citizen involvement be solicited and respected. In the case of Grinnell 2000, citizens join by pledging a minimum of $1.00 per week per year. Citizens serve on all committees as well as the elected Board of Directors. A successful drive to solicit citizen membership during the foundation’s initiation period is the surest way to an effective foundation. However, a foundation that is unsuccessful in attracting citizens to join may be doomed to fail. The foundation will be functionally ineffective unless local residents perceive that it speaks for all citizens. The best way to facilitate this is to maximize citizen involvement. Therefore, foundation leaders must make citizen participation a top priority.

Elected Board of Directors. The Board of Directors of
the foundation shall be elected by a majority of the members. Each member will have a single vote. The Board will have final approval of all projects and use of funds. As circumstances may warrant, it may be necessary to put proposals to a vote by all members. The city will want to create and limit the powers of the Board as it sees fit. This should be done in such a manner as to maximize citizen input.

Standing Committees. These committees would be in charge of certain important city concerns, i.e., Economic Development, Promotion, and Cultural and Recreational Facilities. These committees would be the main actors in the planning of projects. In addition, ad hoc committees and sub-committees would be created as necessary.

 Initiating the Foundation

Initiating a community foundation requires commitment and hard work. In the case of Grinnell 2000, several community-minded individuals committed a great deal of time and energy into creating the foundation. Belle Plaine would require a similar commitment. Following is a suggested guideline for initiating a new foundation.

Creation of an Ad Hoc Board of Directors. Interested and committed citizens must do the initial organizing and planning required to get the foundation off the ground. They should immediately begin to contact sources of initial funding as well as planning the initial membership drive. A document which will serve as the temporary charter for the foundation should be formulated to guide the ad hoc Board in its initial efforts.
Membership Drive. Local media should be utilized to get the message of the foundation out to the citizenry. An aggressive campaign to get citizens involved may include telephone or door-to-door canvassing. Foundation officials need to "sell" the idea of membership by stressing the positive benefits the foundation can provide.

Raising the Initial Capital. Some of the initial capital will come as a result of the initial membership drive. However, in order to capitalize the foundation so that it can be effective, additional sources of capital should be sought. The foundation should not overlook private philanthropic foundations in seeking start-up capital. In addition, local, regional, state and federal sources should be investigated and applied for.

(Note: Several of these sources have been previously identified in the section describing a Revolving Loan Fund.)

Election of Permanent Officers. Once initial membership goals have been met, permanent officers should be elected by majority vote of the members. The first duty of the new Board would be to create an ad hoc committee which would draft a permanent charter for the foundation. The finished product would be subject to a vote of the entire membership.

Creation of Committees. Standing committees should be mentioned in the foundation's charter. One committee should be dedicated towards creating a newsletter which keeps members informed of the actions of the foundations as well as the progress of various projects. Ad hoc committees and sub-committees should be created as needed.
Continuation of the Foundation

The foundation must continue to build in order to grow more effective. If the foundation is successful, steps must be taken to assure that it will survive. Following are some steps the foundation can take in order to continue as a successful community resource.

Continuing Membership Solicitation. The foundation should continue to solicit new members. As each membership goal is met, new ones should be set. The greater the citizen participation in the foundation, the more effective it will be in reaching its goals.

Seeking New Funding Sources. The foundation should continue to seek new funding to support its projects. This means that the foundation should both maximize its present resources (i.e., investing a portion of its funds and using the interest earned as project capital) and look for new outside sources of funding.

Long-Term Planning and Goals. The foundation must continually adjust its goals and objectives based on changing needs and expectations. The foundation should also undertake long-term planning and build its projects around these plans. Long-term plans should also be updated as conditions change.

Conclusion

A community foundation can provide a means by which Belle Plaine citizens can play an active role in improving the city’s quality of life. Although surveys of Bell Plaine citizens show that many have a pessimistic view of the future, all of the necessary ingredients to begin a foundation exist. These include a
committed city government, motivated individuals, and a public-regarding local newspaper. Such factors can overcome citizen pessimism; once the foundation is begun and successful, pessimism will become optimism.

While the above is only a guideline, it may be helpful in providing civic leaders with a framework for creating such a foundation. Cooperation with city government, local business, and development groups is important in the planning process. However, if everyone works together in creating the foundation, it can be an especially effective tool in bringing economic prosperity and improved community attitudes to Belle Plaine.
SECTION IV

SUMMARY

Belle Plaine is not unlike other small towns in Iowa in that it is experiencing trying economic times. In order to better weather these times the community needs to distinguish itself from other communities. This can be accomplished by analyzing the economic condition of the community, identifying its strengths and weaknesses, and capitalizing on the factors that the city has an advantage for. In addition, because of the constraints existing on the community's resources (monetary, time, and labor) it is necessary that they be utilized in the most efficient manner possible. Therefore, we feel that one of the most important steps that Belle Plaine could take to ensure that these resources are being used efficiently is through coordination of the activities of the groups involved in economic development. Currently, Belle Plaine has five groups working toward economic development. They are:

1. the Steering Committee;
2. the Belle Plaine Development Corporation;
3. the Belle Plaine Improvement Corporation;
4. the Belle Plaine City Council;
5. and the Chamber of Commerce.

Little communication exists between these five groups. The communication that does occur is only due to the fact that several citizens sit on more than one of the committees. Therefore, most of the time the committees are unaware of what the others are doing, or committees are duplicating efforts. At times, they
may even be working at cross-purposes.

We feel that a coordination of these groups is necessary to foster economic development in Belle Plaine. The main benefit of a coordinated effort is that it could combine and harness the energy, time, and money spent by these individual groups that are working toward the same goals into a more powerful effort. In addition, a coordinated effort would project a professional image to outsiders who approach the city about the possibility of doing business there. It would also help in the creation of a positive self image for the city, something that Belle Plaine seems to be lacking.

We feel that the community should begin this process by examining its inherent strengths and weaknesses. Once these factors are recognized the city needs to ameliorate its weaknesses while capitalizing on its strengths. As already emphasized, one of the most glaring weaknesses of Belle Plaine is its lack of community cohesiveness. An excellent vehicle for putting these goals together is the establishment of a community foundation. The foundation would involve a greater number of citizens and would present a united front to prospective businesses. One of the main projects that the foundation could undertake would be to establish a committee to create and implement an aggressive marketing plan for Belle Plaine. This plan would serve two purposes: first, to make prospective new businesses aware of Belle Plaine's potential as a place to do business; and second, to help local retailers be more competitive and draw more shoppers from the surrounding area. Other foundation committees could address such issues as financial assistance for new and expanding busi-
nesses, improving the appearance of the community, increasing social and cultural opportunities for residents, and other quality of life issues.

In addition, Belle Plaine also needs to examine its economic base in order to better understand the existing state of the local economy and what factors are exerting pressure on it. It should be noted that there are exogenous forces that shape the environment in which the Belle Plaine economy must function. Cyclical trends and government policies are important factors that shape the business climate for both state and local economies.

Referring to the Retail Trade Area Capture Analysis, there should be some concern about the recent decline in the city’s ability to capture its share of local sales of goods and services. This trend suggests that there has been either a decline in the amount of money being spent locally by Belle Plaine residents, or there has been a increase in the citizens’ spending outside of the city. Either conclusion suggests a weakness in the city’s economy. If the problem is that the city is spending less per capita than what they what they did previously, it could be due to a decrease in the city’s per capita income. This would suggest that residents have less disposable income to spend in the local economy. This is a critical problem. To counteract this problem the city needs to attract firms which will increase income for residents by creating new jobs. It must also assist existing and expanding firms which help to increase incomes for employees. If the city is losing shoppers to other markets, actions that which reverse or decrease this leakage should be taken. Again, this might be accomplished by greater cooperation
among local retailers through sponsoring sidewalk sales, promotional gimmicks, and incorporating social events like street dances with shopping promotions.

One method Belle Plaine could use to increase its economic viability would be through the establishment of a revolving loan fund. The notion of a RLF in Belle Plaine is attractive. A RLF could provide Belle Plaine with the ability to offer financial assistance to new and expanding firms that might be unable to obtain assistance through traditional channels. Several questions arise when considering whether Belle Plaine should establish such a fund. The first is whether there is a need for a RLF in Belle Plaine. The second is whether the city can secure the capital and the technical expertise necessary to operate such a fund. If Belle Plaine decides it needs a RLF and if it is able to secure the necessary capital and expertise to operate such a fund, then the city must decide what type of firms it should fund.

We advise that Belle Plaine be extremely cautious when deciding which firms it will assist. For example, the city may want to provide financial assistance to existing firms in the community which are experiencing difficult times. If this is the case, then the city should not assist any industry that is experiencing a downward trend in the demand for its goods and services. Often in these cases, the nature of the difficulty suggests that there will never be a resurgence in the demand for those goods. However, if Belle Plaine determines that the nature of a firm's difficulties is due to a cyclical downturn (a downturn due to a fluctuation in the demand for the service), then
the city may want to provide the company with assistance. At some

time in the future the demand for this service will return and
the company will again be viable; however, if the city fails to
assist the firm, it may fail before times get better. Finally,
the city would not want to provide financial assistance to
retail or service activity since these businesses tend to develop
naturally from growth in the industrial base.

At this point it should again be stressed that the city's
scarce resources should be allocated in the most efficient man-
er. We feel that with the current economic climate in the Mid-
west, it pays for a community to be selective in allocating its
resources. The analysis of the Airport/Industrial Park proposal
shows it is a highly speculative project. Because the airport
would be a Basic Utility I facility classified for low service
single or twin engine planes, the city can expect that the facil-
ity would mostly be used by pleasure crafts. The weather depen-
dency of the airport is another crucial factor that limits the
potential use of the facility. Due to the design of the airport,
it will operate under Visual Flight Rules (VFR), meaning aircraft
would only be able to land at the airport on days with favorable
weather conditions. In 1985, it was estimated that only 110 to
240 days allowed landing under visual flight rules. In addition,
the Cedar Rapids Municipal Airport is only 35 miles away. There-
fore, it does not seem practical to expect that such a facility
in Belle Plaine would be utilized in the manner expected, that
is, by local businesses or new industries. Instead, it seems logi-
cal that the Cedar Rapids Airport would be likely to get most of
Belle Plaine's air activity.
As for the industrial park portion of the project, the existence of other ready-to-go industrial parks in Iowa that remain vacant, adds to the overall speculation of the project. Therefore, we feel that Belle Plaine would be wise to examine our analysis of the Airport/Industrial Park project and use it as a basis for public discussion on the proposal.

Overall, we feel that Belle Plaine is a pleasant place with a great deal of potential for economic development. While we do not believe that the actions suggested here are the only means to improving Belle Plaine’s economic climate, we feel that adoption of these suggestions could be a positive step towards restoring economic viability to the city. Merely improving the city’s perception of itself and restoring optimism for the future may go a long way toward improving Belle Plaine’s economic fortunes. We hope that the city will use this document to stimulate public discussion so that more informed decisions about the town’s future can be made.
APPENDIX A
DESCRIPTION OF MERCHANDISE TYPES

This appendix contains the breakdown of the merchandise types used in the Retail Trade Area Capture Analysis for Belle Plaine, Iowa. The major merchandise groups are indicated below along with the specific subgroups contained within them.

<table>
<thead>
<tr>
<th>Merchandise Type Group</th>
<th>Subgroups</th>
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<tbody>
<tr>
<td>Motor Vehicle</td>
<td>Automotive Dealers</td>
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<td></td>
<td>Gasoline Service Stations</td>
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<td></td>
<td>Tire, Battery, &amp; Accessories</td>
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<td></td>
<td>Auto &amp; Home Supply Stores</td>
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<td></td>
<td>Boat Dealers</td>
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<td></td>
<td>Recreational &amp; Trailor Dealers</td>
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<td></td>
<td>Motorcycle Dealers</td>
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<tr>
<td>Apparel and Accessory Stores</td>
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<tr>
<td></td>
<td>Men’s &amp; Boy’s Clothing</td>
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<td></td>
<td>Women’s Ready-To-Wear</td>
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<td></td>
<td>Millinery Stores</td>
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<td></td>
<td>Lingerie Stores</td>
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<td></td>
<td>Other Women’s Access. &amp; Specialty</td>
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<td></td>
<td>Children’s &amp; Infant Wear</td>
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<td></td>
<td>Family Clothes</td>
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<td></td>
<td>Men’s Shoe Stores</td>
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<td></td>
<td>Women’s Shoe Stores</td>
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<tr>
<td></td>
<td>Children’s &amp; Juveniles’ Shoes</td>
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<td></td>
<td>Family Shoe Stores</td>
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<td></td>
<td>Fur Stores</td>
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<tr>
<td></td>
<td>Misc. Apparel &amp; Accessories</td>
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<tr>
<td>Furniture, Home Furnishings, and Equipment Stores</td>
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<tr>
<td></td>
<td>Furniture Stores</td>
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<tr>
<td></td>
<td>Floor Coverings</td>
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<tr>
<td></td>
<td>Drapery, Curtain, &amp; Upholstery</td>
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<tr>
<td></td>
<td>Misc Home Furnishings</td>
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<tr>
<td></td>
<td>Household Appliance Stores</td>
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<tr>
<td></td>
<td>Radio &amp; Television Stores</td>
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<tr>
<td></td>
<td>Record Shops</td>
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<tr>
<td></td>
<td>Musical Instrument Stores</td>
</tr>
</tbody>
</table>
Eating and Drinking Places

Restaurants & Lunchrooms
Social Caterers
Cafeterias
Refreshment Places
Contract Feeding
Ice Cream & Frozen Custard Stands
Drinking Places
(Alcoholic Beverages)

Specialty Stores

Drug Stores
Liquor Stores
Used Merchandise Stores
Sporting Goods Stores
Books and Stationery Stores
Jewelry Stores
Hobby and Toy Stores
Gift and Novelty Shops
Mail Order Stores
Vending Machines
Direct Selling
Fuel and Ice Dealers
Florists

Service

Finance, Insurance and Real Estate
Hotels and Other Lodging Places
Laundry and Cleaning
Photographic Studios
Beauty Shops
Barber Shops
Shoe Repair Shops
Funeral Homes
Building Maintenance
Employment Agencies
Other Personal Services
Other Business Services
Auto Rental and Storage
Auto Repair and Services
Electrical Repair
Watch, Jewelry Repair
Furniture Repair
Motion Picture Theatres
Amusement Parks and Services
Education Institutions
Other Services
Miscellaneous Group

Agriculture Production and Services
Mining
General Contractors
Plumbing and Heating Contractors
Painting Contractors
Electrical Contractors
Carpentry Contractors
Other Special Trade Contractors
Food Manufacturers
Apparel and Textile Manufacturers
Furniture, Wood, and Paper Manufacturers
Publishers of Newspapers and Books
Commercial Printers
Nonmetallic Product Manufacturers
Industrial Equipment Manufacturers
Misc. Manufacturers
Temporary Retailers
APPENDIX B

The following is a list of groups and agencies which can provide additional information concerning financial assistance programs.

1. East Central Iowa Council of Governments
   520 11th St. N.W.
   Cedar Rapids, Iowa  52405

2. Iowa Business Growth Company
   901 Insurance Exchange Building
   Des Moines, Iowa  50309
   (515) 282-2164

3. Iowa Department of Economic Development
   Division of Financial Assistance
   523 East 12th Street
   Des Moines, Iowa  50319
   (515) 281-3711

4. National Association of Towns and Townships
   1522 K Street, NW, Suite 730
   Washington, D.C.  20005
   (202) 737-5200

5. Small Business Administration
   373 Collins Road, N.E.
   Cedar Rapids, Iowa  52402
   (319) 399-2571

6. U.S. Department of Commerce
   Economic Development Administration
   Denver Regional Office
   Suite 300, Tremont Center
   333 W. Colfax
   Denver, Colorado  80204
   (303) 844-4403

7. U.S. Department of Housing and Urban Development
   Braunke/Brandeis Building
   210 South 16th Street
   Omaha, Nebraska  68102
The following is a list of catalogs that provide additional information about private foundations that are potential sources of financial assistance.

1. **Annual Register of Grant Support**  
   17th Edition 1983-84  
   Marquis Professional Publications  
   200 East Ohio Street  
   Chicago, Illinois 60611

2. **Taft Corporate Directory 1983**  
   The Taft Corporation  
   5125 Mac Arthur Blvd.  
   Washington, D.C. 20016

3. **The Foundation Directory**  
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