

Economic Update - Prospering Rural Communities

by Jack Schultz

The general view of rural America is one of dying rural communities, beset by poverty, a lack of opportunity, declining populations. Research led by Andrew Isserman, a professor in the Department of Agriculture and Consumer Economics at the University of Illinois, concludes that this consensus is unfounded.

Far more rural people live amidst local growth than face local decline, Isserman states. In 2000, six million rural residents lived in counties that would decline 2% or more by 2005, but six times as many - 36 million - lived in counties that would grow 2% or more. Isserman continued, Making non-metropolitan synonymous with rural omits more than half the nation's rural population. When you actually look at rural areas - the 97% of U.S. territory not in an urban or suburban area - you get a very different picture.

Isserman and his team also set out to define prosperity, using a broader set of measures. Our definition includes education and housing as well as poverty and unemployment, states Isserman. The ability of a community to keep its children in school through high school and the housing conditions its residents face are reasonable indicators of a community's prosperity.

Applying these definitions of rural and prosperity, the researchers found more than 400 prosperous rural counties. Prosperous counties have lower poverty rates, lower unemployment rates, lower high school dropout rates, and lower rates of housing problems than the nation as a whole.

The keys to rural prosperity?



According to Isserman, Some of our statistical results support what many rural people believe to be true. Religious groups and other identities that bind people together can really matter. Other findings are more conventional. Rural communities with relatively more people with some college education are more likely to prosper, as are

communities with vigorous, competitive, private economies.

Contradicting conventional wisdom, the study also found that geographical factors that are impossible or expensive to change, including climate and distances to cities and major airports, are relatively unimportant in distinguishing prosperous and other rural places. This confirms what we found in our research for Boomtown USA. Successful towns make do with what they have.

In Isserman's conclusion, he comments, prosperity does not happen on its own. It happens through solid and visionary leadership, having a Can-Do attitude and exhibiting a willingness to take risks. It happens through knowing what your town's strengths and resources are and how to leverage those strengths and resources. It happens through building a brand for your town, a concept that often prompts quizzical looks, yet one that successful small towns have embraced. Sound familiar? That quote is from Boomtown USA - The 7 1/2 Keys to Big Success in Small Towns!

Visit www.boomtowninstitute.com/prosperingruralcommunities to view the entire report.

Park Activity - Sarah Bush Lincoln Health System

Agracel has had the pleasure of working with Sarah Bush Lincoln Health System on a number of projects. Most recently, Agracel embarked on a new build-to-suit / turnkey office building for Sarah Bush Lincoln in the Effingham Medical Park. Construction on the 10,500 SF multi-service facility began in November 2008 and was completed in June 2009.

The new facility will house a number of medical offices, including an otolaryngologist (ear, nose and

throat doctor), Lincolnland Hospice, lab services and a sleep laboratory. Additional services will be added as the need arises.

In 2007, ground was broken in the Effingham Medical Park for In Home Medical, a service of Sarah Bush Lincoln Health System. In Home Medical is a durable medical equipment company that rents and sells medical equipment that helps people maintain their independence in the comfort of their own home. The new multi-service facility is (continued on page 3)

Featured Client - Agracel Professional Plaza Tenants

Agracel Professional Plaza in Bentonville, Arkansas, is a commercial/office development that was built in 2004. With Bentonville busting at the seams Agracel took the opportunity to develop quality spaces to offer the numerous companies looking to locate in Bentonville, especially those suppliers to Wal-Mart who need to establish offices close to their buyers. The Plaza is perfectly situated on Southwest I Street in the heart of Bentonville's new growth sector.

Agracel Professional Plaza is currently home to eight very unique tenants. JetStream Lending, located in Suite One, is a mortgage brokerage firm covering the states of Arkansas and Tennessee. Timothy Brophy Disbursement Review is a consulting firm specializing in auditing school districts and governmental agencies to identify areas of savings for the organizations. Suite 27 is currently occupied by The Computer Training Center, a software training firm. The Plaza is also



home to Bentonville's Terminex Pest Control management office.

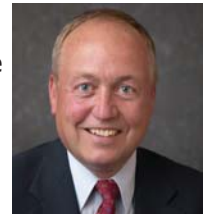
The remaining four tenants are all vendors for Bentonville headquartered Wal-Mart. University Medical Pharmaceuticals, makers of the anti-aging product Face Lift[®] currently office with us. Interstate Bakeries Corporation, who you may better recognize as the makers of products such as Hostess Snack Cakes, Butternut and Wonder Bread and Dolly Madison Baked Goods, lease one of our largest spaces. The Esselte Corporation, located in Suite 31, sells over 30,000 different innovative products for workspace solutions in over 120 countries around the world. Esselte products are available in different product categories, including Creative, Workspace and Organizational Solutions. Our final and newest client is Wildgame Innovations. Wildgame Innovations, as seen on the Outdoor Channel, manufacturers and distributes wild game supplement and deer attractant.

For more information on Agracel Professional Plaza or to discuss space available please contact Butch Gurganus with Colliers International at 479-644-7266.

Covering Your World - Outer Belt West, Ken Vogt, Firefly Grill

The City of Effingham, Illinois, broke ground on April 21, 2009, for the third phase of the Outer Belt West Project. Outer Belt West will provide an alternative route designed to alleviate traffic congestion for motorists traveling between the north side of the city and the south side. The addition will not only create an option for motorists, but it will also provide much needed access to the new Fed Ex Freight facility as well as serve as an economic development tool to promote new business growth.

Effingham native and Agracel friend Ken Vogt was recently honored as one of three recipients of the 2009 BESI Awards. This award recognizes local businesses and individuals who have distinguished themselves in the pursuit of ethics and social involvement. The award is sponsored jointly by Eastern Illinois University, Lake Land College and ECIDC. Congratulations Ken!



Firefly Grill in Effingham, Illinois was named the #2 restaurant of 2008 in St. Louis - no small feat when you're located 90 miles away! Ian Froeb, restaurant critic for The Riverfront Times in St. Louis, recently named his Top Ten Dishes for 2008. Number two on his list was *Pretty Much Everything* at the Firefly. Make plans to visit the Firefly soon and find out why they ranked among the best of St. Louis! Check out www.ffgrill.com.

(continued from page 1)

located adjacent to the In Home Medical facility. Prior to teaming up on the In Home Medical facility, Agracel provided medical office space to Sarah Bush Lincoln in The Pines Medical Center, an Agracel-owned multi-tenant facility also located in the Effingham Medical Park.

Sarah Bush Lincoln Health Center opened in May

1977, in Mattoon, Illinois, after residents of Mattoon and Charleston decided to work together to develop a regional hospital. Sarah Bush Lincoln Health System has distinguished



Sarah Bush Multi-Service facility

itself time and time again as a health care provider, employer and community partner while remaining true to its mission over the years: to provide exceptional care for all and create healthy communities.

Community Profile - Decatur, AL

Nestled in the Tennessee River Valley, the city of Decatur, Alabama, boasts a rich and colorful history. Originally a river crossing for settlers west of the Appalachian Mountains, the town became known as Decatur on June 16, 1820. Settlers were drawn to the community by its fertile river valley soil and relatively easy river access to other cities. In 1836, Decatur was chosen to become the eastern terminus of the first railroad line west of the Appalachian Mountains.

This provided a boost to the city's economy and a rapid growth in population ensued. Decatur became an important industrial hub in Alabama, which it remains today.

Decatur, with a population of 55,741, is located in Morgan County, which has a population of 115,050. U.S. Highways 31 and 72A provide easy access to Decatur, along with I-65, which is just five miles to the east. Decatur is the hub of the Tennessee Valley motor freight system with 30 companies having terminals in the city. The CSX Railroad provides north-south rail service to Decatur, while the Norfolk Southern provides east-west rail service. In addition, three public port facilities are available to industries in the area. Air transportation is available at the Huntsville International Airport, just 12 miles northeast of Decatur.

Outdoor recreation is a year-round staple in



Decatur. Being located on the Tennessee River is an added bonus for boaters, skiers and fishermen. Festivals throughout the year bring neighbors from around the region together to celebrate. Other amenities include the North Alabama Birding Trail, the Carnegie Visual Arts Center, Princess Theatre Center for the Performing Arts, Riverwalk Marina and the Wheeler Wildlife Refuge.



Delano Rose Garden

Agracel is pleased to be a part of the Decatur/Morgan County industrial community, after recently entering into an agreement with United Launch Alliance (ULA) to build and lease-back a 40,000 SF facility. ULA presently has 684 employees in Morgan County, and announced in October 2008 a \$159 million expansion to their existing facility. Jeremy Nail, Vice President of the Morgan County Economic Development Association, was instrumental in facilitating the relationship between Agracel and ULA.

Other major employers in Morgan County include General Electric, with 1,390 employees; 3M Company with 830 workers; Wayne Farms Fresh, a chicken processor, with 799 workers; and Nucor Steel, a steel mill with 700 employees.

With a rich heritage and dynamic future, Decatur and Morgan County will continue to grow and prosper. To learn more, visit www.mceda.org, www.digitaldecatur.com, and www.decaturcvb.org.

TQW - TQW Offers Kitting & Assembly Services

We usually think of a warehouse or distribution center as a storage and order fulfillment link in the supply chain, but TQW offers additional services that help customers improve efficiencies and reduce costs. One of our clients, Giant Campus,

provides summer camps for kids across the country. Their kit of items for each camp includes many small items like batteries, power supplies, dvd's, printer cartridges, cameras, memory cards, etc., which are shipped to the camps in multiple boxes. As part of a year-end review with Giant Campus, we discussed the issue of camps having to find all the separate pieces and organize their camp supplies, and also not having all of the parts returned at the end of camp.

Giant Campus identified all of the kits that their camps use and we created new kit items in our software to identify the individual items required for each kit. The items arrive at TQW as separate units, allowing Giant Campus to buy in bulk at the best prices. TQW inventories the items individually to reduce the number of storage locations and eliminate redundant inventory on kits and individual items.



giant campus®

Giant Campus confirms stock levels on each item to prepare for camps by checking TQW's on-line inventory access and they place the orders for the complete kits. The kits are then expanded onto the order as the individual items and TQW picks and assembles the kits for shipment.

Postponing the final assembly of the kits delays payment for the labor activities until just prior to shipping the completed item. If the mix of products in a kit changes, the expense of final assembly hasn't been added to the cost of the product yet, allowing for more flexibility and quicker response to changing trends. In instances where the same raw materials are used to assemble multiple kits, having the warehouse assemble these items reduces the overall inventory levels by maintaining inventory on only the raw materials and not the completed items. This reduces the cost of the inventory as well as the storage cost on duplicate parts.

Kitting isn't new, but moving this activity to the end of the supply chain, just prior to shipping, is a change that can improve efficiencies and reduce both product costs and storage costs for many companies.



AGRACEL, INC

Industrial Developers

In this issue...

Community Profile
Decatur, AL
Economic Update
Prospering Rural Communities
Current Activity
Kennametal
Covering Your World
**Outer Belt West, Ken Vogt,
Firefly Grill**
TQW
Kitting & Assembly Services
Featured Client
Agracel Professional Plaza Tenants
Park Activity
Sarah Bush Lincoln Health System

Development Quarterly

1200 Network Centre, Suite #3
Effingham, IL 62401
217.342.4443 • www.agracel.com

Presort Standard
U.S. Postage
PAID
Springfield, IL
Permit #800

SPACE AVAILABLE

Fort Madison, IA

Building 1 - 111,125 sq. ft.

Building 2 - 26,540 sq. ft.

For more information call Agracel at
217-342-4443

Summer 2009



Current Activity - Kennametal

Bedford Industrial Center, located in Bedford, Pennsylvania, is bustling with activity. This 450,000 SF building was purchased by Agracel in 2006 and redeveloped into a multi-



tenant facility. A new tenant, Kennametal Inc., will soon occupy 81,023 SF for storage and distribution.

Kennametal was founded in 1938 by metallurgist Philip M. McKenna after he created a tungsten-titanium carbide alloy for cutting tools that provided a productivity breakthrough in the machining of steel. Today, Kennametal is a leading global supplier of tooling, engineered components and advanced materials that are consumed in production processes. In addition, Kennametal is the global market leader in tools for the mining and highway construction industries. Other

industries the company serves include aerospace, transportation, construction and farm machinery, power generation and transmission equipment, and oil and gas exploration.

Headquartered in Latrobe, Pennsylvania, Kennametal has annual sales of \$2.7 billion and employs approximately 14,000 employees in more than 60 countries. Their R & D efforts lead to an average of 30 U.S. patents every year.

To accommodate Kennametal's operations, Agracel will be adding five new docks with concrete aprons and dock levelers. Also, new lighting and HVAC will be added along with upgrades to an office and break room. Kennametal has entered into a long-term lease with Agracel, and is expected to occupy the new space in July 2009.



Learn more about Kennametal at www.kennametal.com.