

KOSSUTH & PALO ALTO COUNTY

EXISTING INDUSTRY REPORT



Kossuth/Palo Alto County Economic Development Corporation

106 S Dodge St, Ste 210 | Algona, IA 50511 | PH 515-295-7979 | FAX 515-295-8873

kcedc@kossuthia.com | www.kossuth-edc.com | www.paloaltoiowa.com

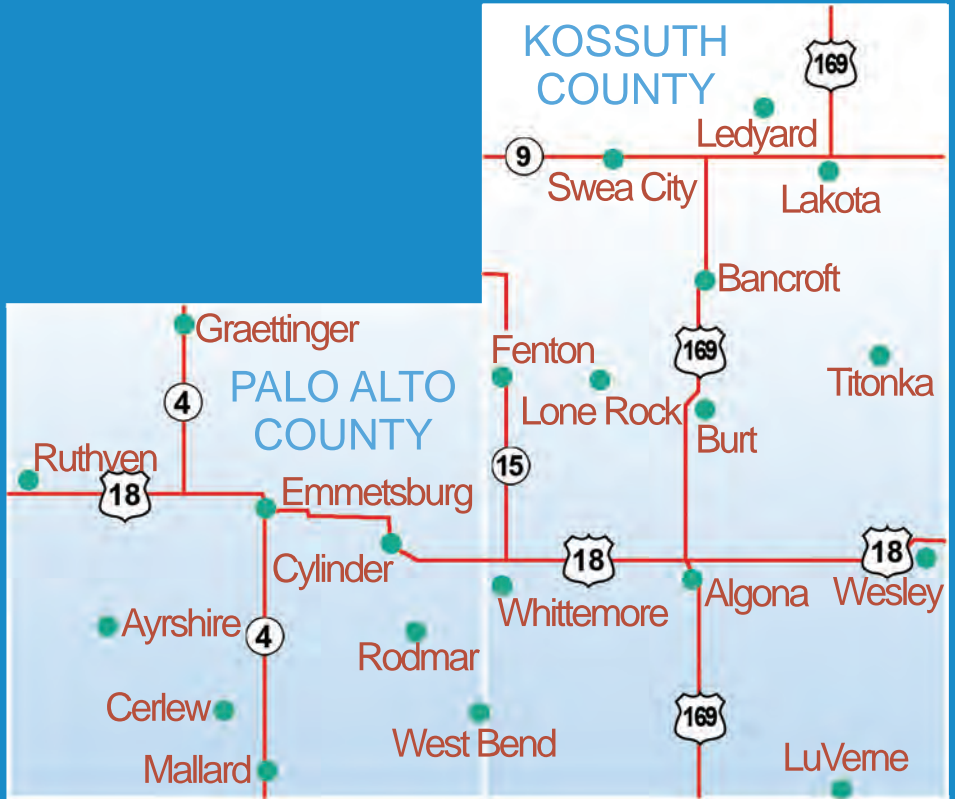
ABOUT THE COUNTIES

Located in north Iowa, near the border of Minnesota, Kossuth and Palo Alto Counties are ideal business locations--close to Minneapolis and Des Moines.

The counties boast businesses from all major sectors including healthcare, services, agriculture, manufacturing, retail and more.

Kossuth and Palo Alto Counties hold two of the lowest unemployment rates in the state, and many businesses are expanding.

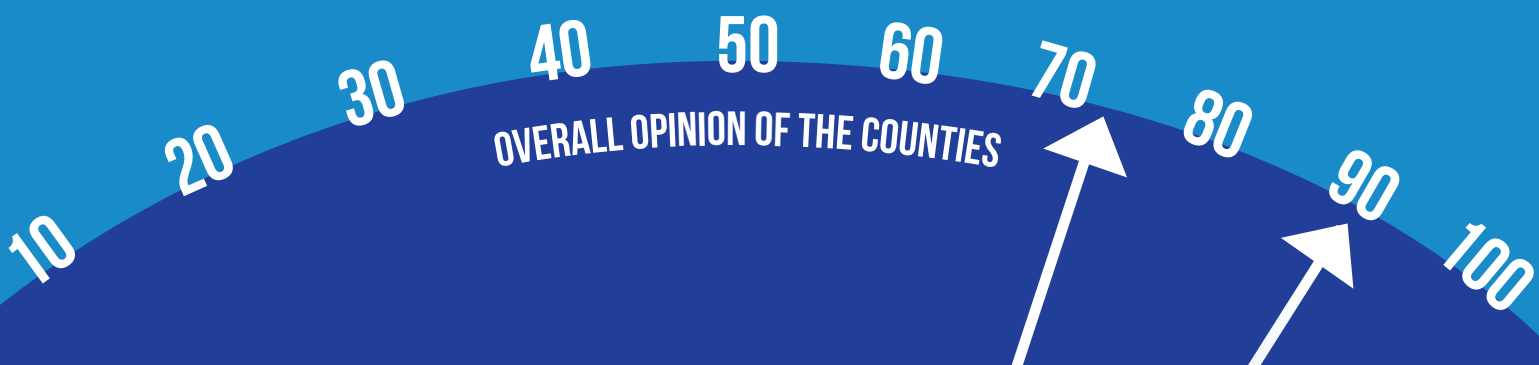
The counties' diverse business environments, along with strong workforces and community support, make Kossuth and Palo Alto Counties strong business centers with the potential to grow.



BUSINESS SURVEYS

Statistics on the following pages are taken from the Kossuth and Palo Alto County Economic Development Corporation Business Surveys. A total of 106 businesses in Kossuth County and 86 businesses in Palo Alto County participated in the surveys. Major industries were represented including agriculture, education, healthcare, manufacturing, retail and services.

Businesses answered questions about general business trends, expansion, workforce, future business and more. A selection of the survey results are shown in the following pages. The results represent a sample of Kossuth and Palo Alto County businesses and do not represent every business in the counties.



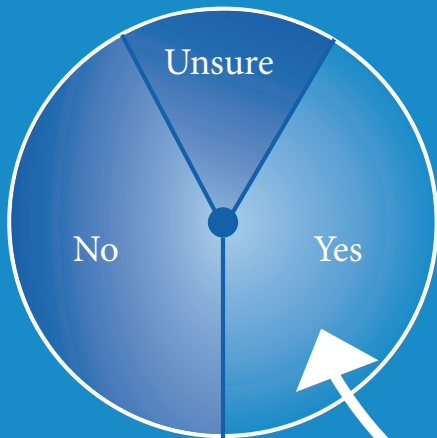
EXPANSION

22% of businesses surveyed in Kossuth County plan to add employees.

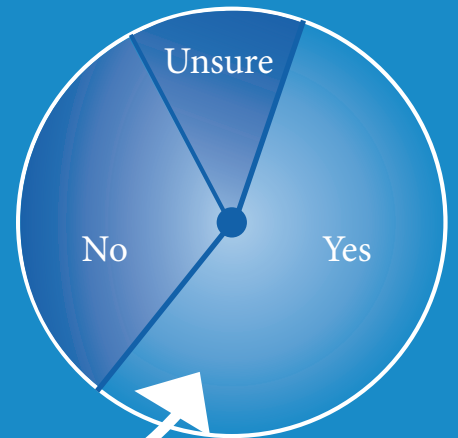
17% of businesses surveyed in Palo Alto County plan to add employees.

PLANS TO EXPAND - KOSSUTH COUNTY

PLANS TO EXPAND - PALO ALTO COUNTY



41% of businesses surveyed in Kossuth County and 58% in Palo Alto County plan to expand their business in the next 5 years.



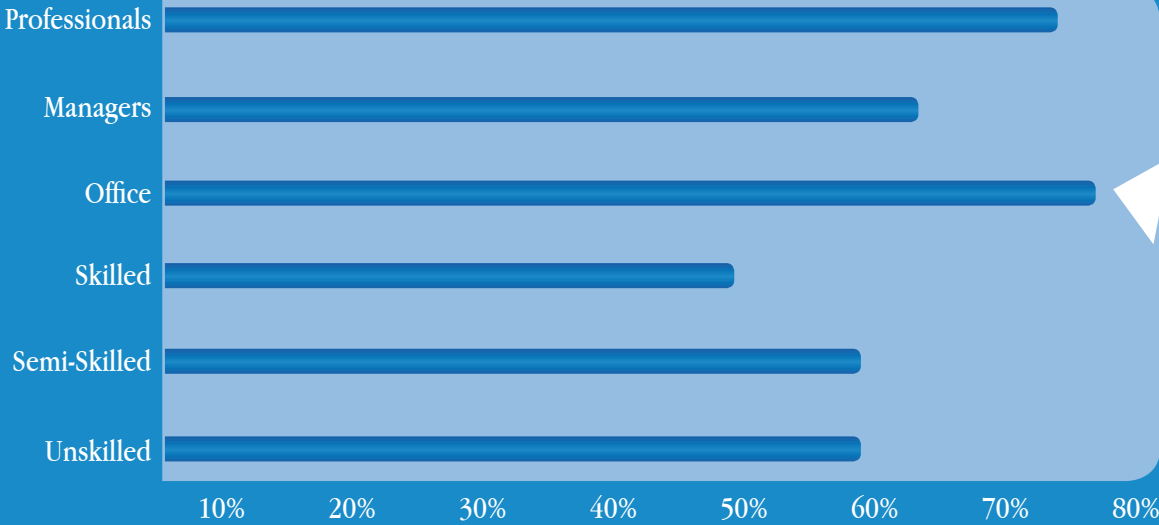
58% of businesses surveyed in Kossuth County own/lease sufficient property to expand.

55% of businesses surveyed in Palo Alto County own/lease sufficient property to expand.

91% of businesses surveyed in Kossuth County and **73%** of businesses in Palo Alto County rated their respective counties as **excellent** or **good**.

WORKFORCE AVAILABILITY

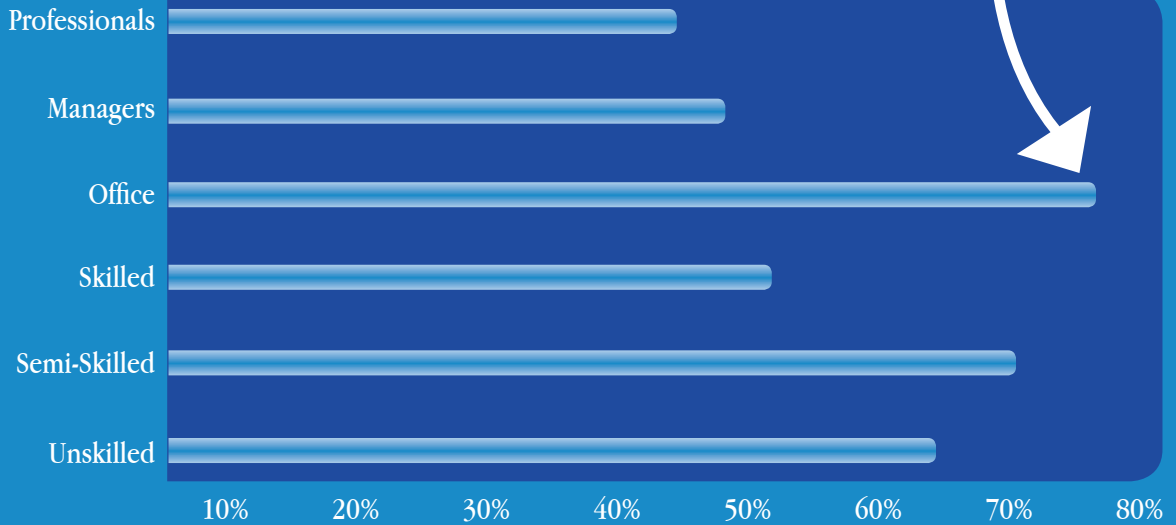
KOSSUTH COUNTY WORKFORCE AVAILABILITY



A better quality of working life, together with the promotion of employment and entrepreneurship, are evident in Kossuth and Palo Alto Counties. With employment at 94.2% in Kossuth County and 93.8% in Palo Alto County, informed choices are made by knowledgeable business owners to allow for the continuation of strong employment standards.

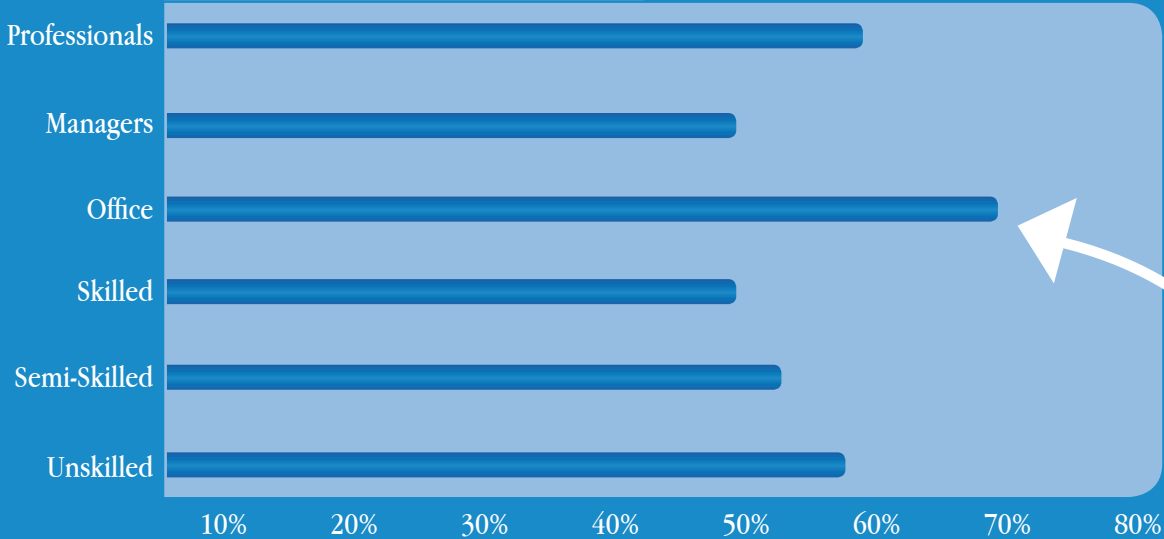
76% of businesses surveyed rated the office workforce availability as good or excellent.

PALO ALTO COUNTY WORKFORCE AVAILABILITY



WORKFORCE QUALITY

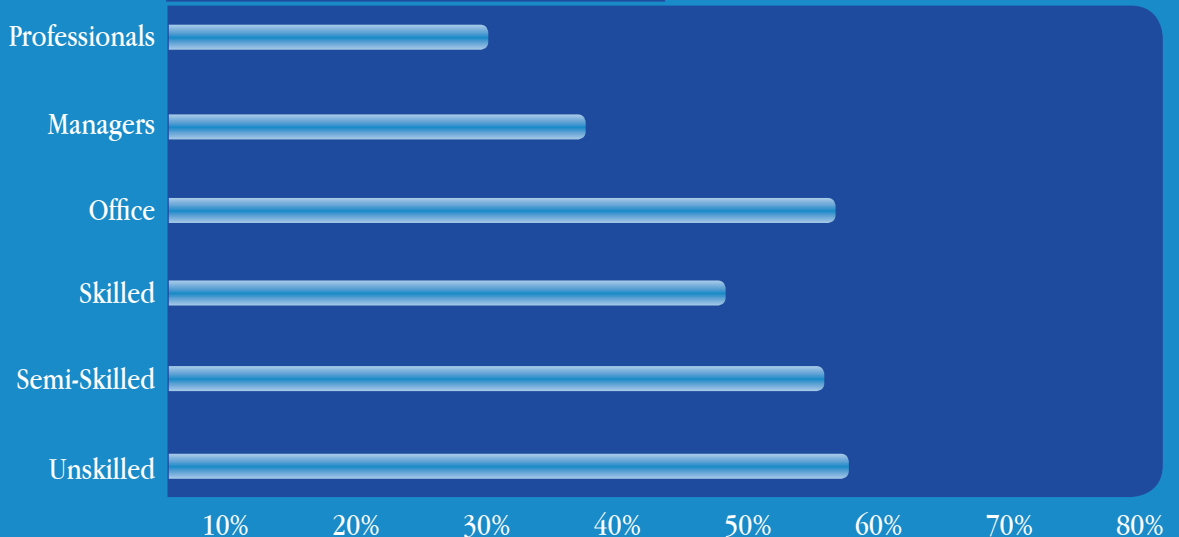
KOSSUTH COUNTY WORKFORCE QUALITY



Businesses are focusing on quality of work and employment, ensuring career and employment security along with developing skills and competencies for their employees. Kossuth and Palo Alto Counties are proud of their well-trained and educated labor force.

70% of businesses surveyed in Kossuth County rated the office workforce quality as good or excellent.

PALO ALTO COUNTY WORKFORCE QUALITY



ECONOMIC IMPACT ANALYSIS

Economic impact analyses were conducted on several businesses in the Kossuth-Palo Alto region utilizing the IMPLAN[®] software model. The analyses were completed by the Institute for Decision Making at the University of Northern Iowa and provide insight into the impacts a particular industry has on the regional economy.

In addition to the direct impact each company has on an area's economy, the multiplier effect can also be expressed as indirect impacts and induced impacts. Those impacts are defined as follows:

Indirect effects are the results of local industries purchasing from each other. This includes business growth/decline resulting from changes in sales for suppliers to the directly affected businesses.

Induced effects reflect changes in spending from households as income/population increases or decreases due to the changes in production. This includes shifts in spending on food, clothing, shelter, and other consumer goods and services, as a result of the change in workers and payroll of directly and indirectly affected businesses.

ALUMA LTD.



COZZINI



ENERGY PANEL STRUCTURES



SNAP-ON TOOLS



PHARMACISTS MUTUAL INSURANCE



UNIVERSAL MANUFACTURING

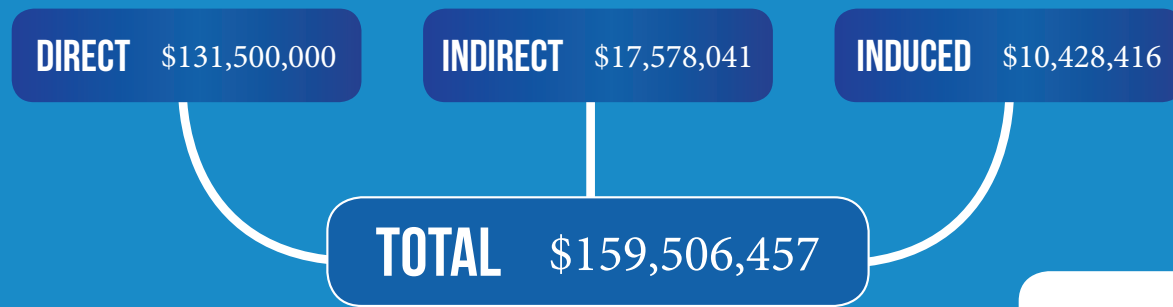


ECONOMIC IMPACT ANALYSIS: RESULTS

OPERATIONS OUTPUT

Total output in the Kossuth-Palo Alto region generated directly from the combined sales of the firms and the multiplier effect.

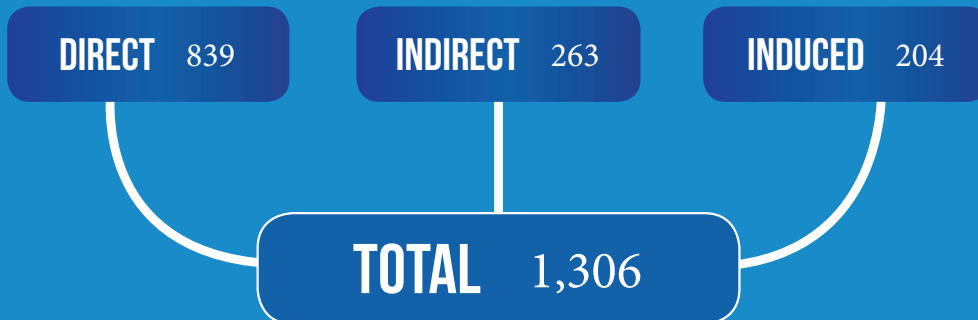
The multiplier effect of the presence of these six businesses results in an additional \$28,006,457 in economic activity throughout the region beyond their specific direct impacts.



OPERATIONS EMPLOYMENT

Total employment in the region generated by the combined sales of the firms.

The multiplier effect results in an additional 467 jobs beyond the companies' actual employment in the region due to the economic activity of the businesses and their employees.



Due to the large impact of food processing manufacturers and agriculture-related companies on the area, these companies were analyzed as a separate group. See page 8.

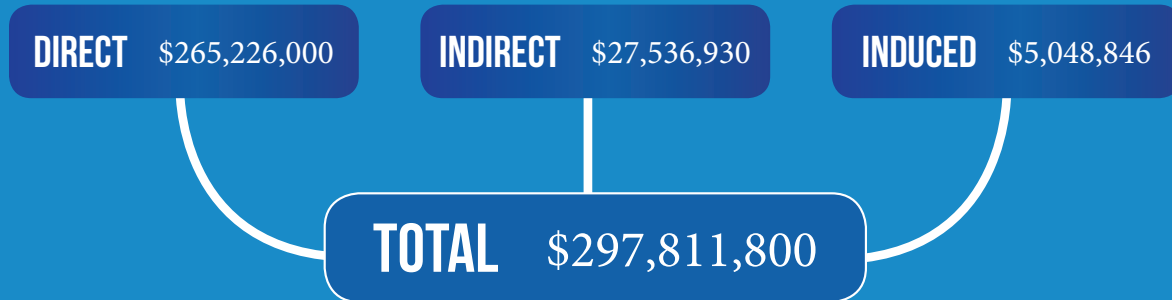
ECONOMIC IMPACT ANALYSIS: RESULTS

FOOD PROCESSING AND SELECTED AG-RELATED COMPANIES

OPERATIONS OUTPUT

Total output in the Kossuth-Palo Alto region generated directly from the combined sales of the firms and the multiplier effect.

The multiplier effect of the presence of these four businesses results in an additional \$32,585,800 in economic activity throughout the region beyond their specific direct impacts.

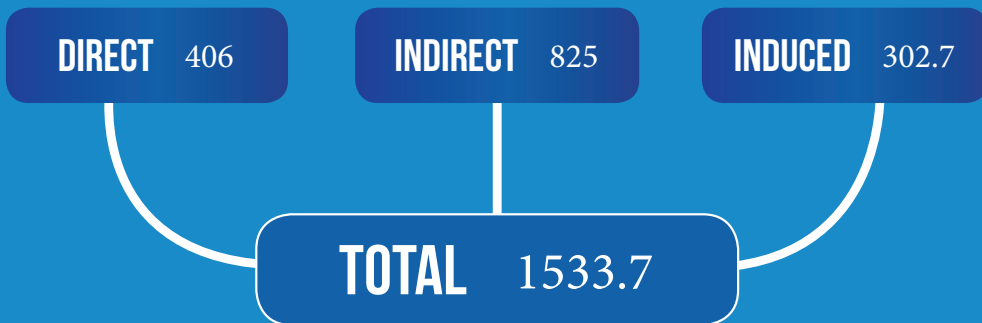


OPERATIONS EMPLOYMENT

Total employment in the region generated by the combined sales of the firms.

The multiplier effect results in an additional 1,128 jobs beyond the companies' actual employment in the region due to the economic activity of the businesses and their employees.

In addition, wholesale companies such as MaxYield, Pioneer Hi-Bred and Stateline Cooperative report sales in excess of \$372 million and employ more than 200 people.



ECONOMIC IMPACT: WILD ROSE CASINO

The Wild Rose Casino in Emmetsburg is one of the premier gaming facilities in the Midwest. The 16,800-square-foot casino opened in June, 2006, and boasts 550 state-of-the-art slot machines. Wild Rose Casino and Resort includes a 70-room hotel.



ECONOMIC IMPACT ON IOWA



Source: Wild Rose Casino Statement of Economic Impact on State of Iowa, for period July 1 to September 30, 2010.

KOSSUTH REGIONAL HEALTH CENTER

Kossuth Regional Health Center operates a 25-bed critical access hospital, two physician clinics, home care, hospice and public health nursing agencies. KRHC employs approximately 200 individuals and maintains Master Affiliation and Professional Services Agreements with Mercy Medical Center-North Iowa.



ECONOMIC IMPACT OF REGIONAL HEALTH CENTER ON KOSSUTH COUNTY

Direct Jobs	Total Jobs	Payroll & Proprietor Income	Total Payroll & Proprietor Income
200	313 (including multiplier effect)	\$10,093,488	\$13,275,036 (including multiplier effect)

ECONOMIC IMPACT OF HEALTHCARE SECTOR ON KOSSUTH COUNTY

Direct Jobs	Total Jobs	Payroll & Proprietor Income	Total Payroll & Proprietor Income
807	1,198 (including multiplier effect)	\$29,641,488	\$40,269,502 (including multiplier effect)

PALO ALTO COUNTY HEALTH SYSTEM

Palo Alto County Health System (PACHS) is a physician/hospital organization which formed in 1998 to provide a continuum of care between hospital services provided by Palo Alto County Hospital and local physicians in Palo Alto County. The care offered by PACHS includes the full continuum of primary healthcare, from health promotion to end-of-life care.



ECONOMIC IMPACT OF PALO ALTO COUNTY HEALTH SYSTEM ON PALO ALTO COUNTY

Direct Jobs	Total Jobs	Payroll & Proprietor Income	Total Payroll & Proprietor Income
186	304 (including multiplier effect)	\$8,720,938	\$11,819,819 (including multiplier effect)

ECONOMIC IMPACT OF HEALTHCARE SECTOR ON PALO ALTO COUNTY

Direct Jobs	Total Jobs	Payroll & Proprietor Income	Total Payroll & Proprietor Income
850	1,275 (including multiplier effect)	\$27,542,938	\$38,666,223 (including multiplier effect)

Source: Iowa Hospital Association, February 2010.

IOWA LAKES COMMUNITY COLLEGE

Iowa Lakes Community College is a public, comprehensive educational institution accredited by the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools. Iowa Lakes offers several locations throughout a five-county service area: Algona, Emmetsburg, Estherville, Spencer and Spirit Lake.



ENROLLMENT	3,483 – up 5.1% from last year
KOSSUTH/PALO ALTO EMPLOYMENT	150
PAYROLL	\$5,139,429



KOSSUTH & PALO ALTO COUNTY K-12 SCHOOLS

Public and private K-12 education is available in Kossuth and Palo Alto Counties in school districts with enrollments ranging from 200-1,400 students. Students in these counties typically rank above average in student achievement in comparison to other Iowa students. The composite score for Iowa students who took the ACT in 2010 ranked second in the nation, according to results released by ACT.

ENROLLMENT	4,213.2
EMPLOYMENT	907
PAYROLL	\$24,294,075.38



K-12 figures are sums of public and private schools in Kossuth and Palo Alto Counties.



Kossuth/Palo Alto County Economic Development Corporation
106 S Dodge St, Ste 210 | Algona, IA 50511 | PH 515-295-7979 | FAX 515-295-8873
kcedc@kossuthia.com | www.kossuth-edc.com | www.paloaltoiowa.com