

# **Iowa Communities of Distinction: An In-depth Study of Mt. Pleasant, Iowa - Maintaining A Generation of Growth \***

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A Report Prepared for the

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\* This report includes an analysis and summary of factors identified in a series of in-depth community studies completed for a project called Iowa Communities of Distinction sponsored by the Community Vitality Center. The purpose of this project is to examine local perceptions regarding the factors that contributed to community vitality or the lack thereof during the decade of the 1990s in order to provide lessons learned, best practices and innovative ideas for other community leaders in Iowa and other states. Researchers identified eight non-metro communities ranging in population from 1,100 to 11,000. Two communities of similar size were selected from each regional quadrant of the state. One of the two communities from each quadrant exceeded the state average population growth rate for the decade of the 1990s. The other lost population. An interdisciplinary assessment team conducted on-site interviews with a cross-section of local leaders from local government, economic development, education, and healthcare in each community. A total of 75 community leaders from the eight communities were interviewed for this project. Draft reports were developed from field notes and local interviewees were given an opportunity to review the drafts for their community prior to publication.

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## **Mt. Pleasant, Iowa: Maintaining A Generation of Growth**

Mt. Pleasant is the county seat of Henry County and is located in southeast Iowa. It was first settled in the 1830s and was incorporated in 1834. According to the Census, Mt. Pleasant grew from 7,959 residents in 1990 to 8,751 residents in 2000. This was an increase of 792 people for a decade growth rate of 10.0 percent. The total population for Henry County also grew from 19,226 in 1990 to 20,336 in 2000. The county population increase was 1,110 residents for an increase of 5.8 percent. So, nearly three-fourths of the growth in county residents can be attributed to growth in Mt. Pleasant. Unlike most non-metro counties in Iowa, Henry County's population has been growing since the 1970s and its 2000 population is the highest recorded population for the past century.

### **What Happened During the 1990s?**

During the 1990s, Mt. Pleasant sustained population growth, even in the face of some layoffs and industrial downsizing. In the 1990s, community leaders say they made a concerted and collaborative effort to continue the momentum established from previous decades. The late Ernie Hays was credited with starting much of the momentum as an economic development leader who generated a reputation for effective communication with corporate leaders and state and federal policymakers. He was instrumental in creating local efforts to focus on highways and diversification beyond production agriculture. Today, the momentum has been sustained. Local leadership, resources, and services are shared in a collaborative fashion among several leaders of the Area Chamber of Commerce, Area Development Commission, Main Street group, and city officials.

Mt. Pleasant sits at the intersection of two highways that are being transformed into four-lane routes. When completed, the Avenue of the Saints—U.S. 218—will connect with St. Louis, MO, and St Paul, MN. U.S. 34 will connect Des Moines and Burlington. The Burlington Northern Santa Fe and Norfolk Southern Railroads provide a major east-west route for commercial rail service. Amtrak passenger service is available locally. As an emerging transportation center, Mt. Pleasant increasingly makes a ideal location for shipping goods around the nation. In the mid-1990s, the city also took a major step and bought land for an industrial park. It has been developed with all streets and utilities. A speculative building was also constructed and several companies are now located there.

The economic base is now diverse with many national and regional companies. Wal-Mart operates a distribution center with 900 employees. Fortune 500 companies include Goodyear Tire and Rubber and Pioneer Hi-Bred International. Other large employers include Lomont Molding, CECO Building Systems, Mid-Am Building Supply, and Mackay Envelope. NYPRO provides injection molding, design and engineering services. Celestica is a Canadian company that provides electronics manufacturing services. Hearth and Home Technologies manufactures fireplaces and fireplace inserts. EGStaats & Company makes ribbons, plaques, trophies, and promotional items. Metrogroup Corporation is a direct mail company. Alaniz, LLC markets direct mail products and services for commercial and fundraising markets. In the 1990s, the state's mental health facility at Mt. Pleasant was converted to a medium-security prison with 1,000 inmates.

Although agriculture is not the primary focus of local development efforts, Henry County is one of the few rural counties in Iowa that showed an increase in the farm numbers for the last Agricultural Census. In 1992, there were 795 farms, while in 1997 there were 835 farms. While small hobby farms represent some of the increase, leaders report a sizeable number of turkey growers are now located in the county and a new turkey processing plant, Mt. Pleasant Foods, recently opened there. The turkey plant is shipping as much as a million pounds of turkey weekly. It was recently announced that 150 more jobs are soon to be added. Mt. Pleasant is home to a Pioneer seed corn processing plant and an ethanol plant is located in nearby Burlington. Officials noted that some of those who used to be full-time farmers now have manufacturing jobs that provide higher and steadier pay and benefits while they continue to farm part-time.

Mt. Pleasant recently experienced the loss of Blue Bird Midwest, a 40-year manufacturer of school buses that employed over 350. Blue Bird closed its Mt. Pleasant plant to accept an economic package offered in Georgia. Local leaders indicated that since the closing, some work quality problems were being encountered at the new location. Blue Bird made arrangements to rehire some previous workers on a temporary basis so they could send buses improperly manufactured in Georgia to Iowa to be fixed. Some of Blue Bird's previous employees retired, but local leaders said that another 100 or so had found new jobs and another 100 were in school or training programs. Riverside Paper recently announced that it will buy the previous Blue Bird plant and the new paper products manufacturer will create 75 or more jobs.

## **Healthcare**

The Henry County Health Center in Mt. Pleasant is the locus of healthcare services for the community and the county. The Center is county-owned and provides hospital, outpatient clinic, nursing home, 24-hour emergency physician staffing, paramedics, ambulance, home care aid, and other public health services. It employs more than 300 people with a payroll of \$12 million. Although the oldest part of the hospital dates from 1919, numerous additions, including one in 2000, have provided a modern looking, up-to-date facility with improved technology available. The hospital is a main sponsor of an active community outreach coalition, Healthy Henry County Communities, which focuses on social and quality of life aspects of health. This coalition of agencies, faith community, business, law enforcement, education, and government provides programs for and about families, children under 6, seniors, diversity, substance abuse prevention, mediation, wellness, positive youth development, and recreational trails.

Although the hospital provides clinics jointly with physicians from the University of Iowa and Burlington, leaders report that there are some pluses and minuses from the proximity to the University health clinics in Iowa City. Since referrals aren't needed, some residents decide to go to the University for healthcare services that are provided locally in Mt. Pleasant. Leaders did say that perceptions of healthcare provided in the community had improved in recent years and they believed that fewer local residents

were going to Iowa City than in the past. The Henry County Center has been named in the top 100 for its size in the country and has successfully recruited two new doctors.

Local leaders voiced concerns about funding for both federal and state healthcare programs. They indicated that Iowa is disadvantaged in health care because of the state's low Medicare reimbursement compared with other states. In addition, leaders report that the state had diverted state matching funds designated for Medicaid to other state budget priorities. Over 60 percent of the hospital patients in Mt. Pleasant are eligible for Medicare with another 8-10 percent being paid through Medicaid. Thus, local leaders suggested these concerns create fiscal impacts for Henry County.

## **Education**

Henry County has four public K-12 districts and one private K-12 system. Community leaders said support for education in Mt. Pleasant was strong. The certified enrollment for the Mt. Pleasant school district was 2,108 for 2003. There is increasing enrollment in the younger grades and a net inflow of 95 open enrollees and tuition students from adjacent districts. Four attempts were required to pass a bond issue for the recently constructed high school. Past cuts in district budgets targeted administrative support areas, but leaders expressed concern that additional cuts will affect programs. There has been some increase of minority students and immigrant children. However, the English language learner programs have reportedly experienced some startup difficulties.

Higher education is available in Mt. Pleasant from Southeastern Community College (SCC) and from Iowa Wesleyan College. The course offerings at the SCC campus are primary courses and nontechnical support for careers that complement the programs offered at the SCC main campus in West Burlington. The Mt. Pleasant SCC campus has increased its enrollment to the point that leaders say its building with five classrooms is not adequate to meet the demand for the number and size of classes. Leaders also say the SCC has been impacted by state budget cuts at a time when they were responding to the Blue Bird closing. They had a number of previous Blue Bird employees in their classes.

Iowa Wesleyan is a four-year, private, liberal arts college founded over 160 years ago and is one of the oldest colleges west of the Mississippi. Although Iowa Wesleyan attracts students from around the globe, there is a heavy draw from the tri-state area and from Chicago. Officials report that the eligible pool of potential students from Iowa appears to be decreasing. They have a diverse campus in both students and faculty, which contributes to diversity in the entire community. Leaders say that there is good support for Iowa Wesleyan in Mt. Pleasant as evidenced by the local contributions to a new gymnasium complex. The college developed the gym facility plan jointly with three area contractors so that local workers would have the construction jobs. Iowa Wesleyan also loaned the use of its computer labs to previous Blue Bird employees who were taking computer certification training. Mt. Pleasant leaders said the community was fortunate, especially for its size, to have two resources for higher education located there.

## **Development Limitations and Concerns**

When asked to analyze local economic strengths and weaknesses, local leaders consistently ranked the retail sector as the weakest. Leaders said they have tried to recruit more stores, such as a Penneys, but that they have been unsuccessful. Even though Mt. Pleasant has a Main Street program, there was some pessimism about future prospects for retail improvement. A Super Wal-Mart is coming to town. The Coralville Mall is only a 45-minute drive away. Leaders reported the Coralville Mall draws shoppers from the region and had negatively impacted the mall in a nearby community.

Local leaders were generally positive about housing opportunities in Mt. Pleasant. They reported 15-20 housing starts annually including both single and multi-family units. Eleven second-story apartments had recently been renovated in downtown buildings. Construction was started on ten four-plex units. Both projects were filling needed housing niches. Local leaders expressed concern about the growing trend of building homes on acreages and rural subdivisions that were outside the city limits and often develop in an unplanned manner.

Leaders expressed concerns about cuts in state aid and property tax rollbacks that arbitrarily reduced the city's ability to benefit from economic growth. One person said it was inconsistent for the state to emphasize growth and development on one hand but slash support for cities and counties on the other. Leaders said many towns were recently mandated to maintain roads that the state turned over to them. Also mentioned were the state elimination of property taxes on machinery and equipment and state-funding cuts after budgets were certified forcing the city to make across-the-board general fund cuts.

For some, the concern with the state went deeper than the most recent round of budget cuts. Several leaders thought that increasingly the state was focusing on metropolitan areas and that "rural Iowa was being overlooked." One said that the newly initiated Iowa Values Fund was designed to benefit "strictly metro" areas. Concern was expressed about whether Mt. Pleasant would fit into the new program and be given fair consideration for funding with metro areas such as Cedar Rapids and Des Moines. As one put it, "We know we won't be able to have everything here, but we just want an equal opportunity to participate." Several leaders said recent state legislative initiatives were generating a rural vs. metro split in the state. One stated, "We are almost fighting the state" on several issues because they don't listen to what works in non-metro areas. Another concern mentioned was the potential lack of future leaders and the out-migration of young people. Leaders said they wondered who the future leadership would be and how to instill community concern and a vision into the next generation.

## **Development Assets and Strategies for the Future**

Mt. Pleasant has made several improvements in the community's infrastructure during recent years. In addition to developing an industrial park, the city has a new water treatment plant, a new waste treatment facility, a new water tower, and a new electrical generating plant. The city owns the electric and water utilities and together these

contribute about \$100,000 annually to the city general fund. City leaders said the Council periodically conducts a goal setting process to set priorities. It has also been successful in attracting community support to get behind most projects.

Among the priorities was a new “Drugtown” on the town square. The city tore down four buildings, as one person put it, “before they fell down,” and the new store was designed with a facade and architecture that blended with the historic look of the square. Leaders report that a new \$2.1 million aquatic center passed with a 70% vote and it made a profit in its first year. The city has added sport facilities to a park that will now be able to have softball tournaments. In addition, the city has had a significant role in the remodeling of the old high school into a new library, community center, and school district office.

Mt. Pleasant uses a range of tax incentives to promote development. Mt. Pleasant has used tax abatement and tax increment financing for housing, commercial, and industrial projects. A ten-year payback criteria is used to evaluate the potential performance of proposed projects. The FY04 consolidated property tax levy is a competitive \$35.25 per \$1000 valuation, which ranks 261<sup>st</sup> out of Iowa 950 communities.

Local projects have used the Southeast Iowa Regional Planning Commission (SEIRPC) revolving loan fund and local leaders are discussing the possible development of a local revolving loan fund. Mt. Pleasant imposes a seven percent hotel/motel tax and a one percent local option sales tax from which half goes to the aquatic center project and the other half goes to property tax relief. Local leaders work to access public and private grants when possible. They successfully obtained a Vision Iowa grant for the conversion of the old high school. Mt. Pleasant adopted a comprehensive plan in 1989 and is currently updating the plan with anticipation of completion in 2004.

Local leaders identified retention and expansion of existing businesses and industries as the greatest emphasis in local economic development strategies. Leaders say that they regularly meet with plant managers and do surveys to assure that the needs of current businesses are being met. One leader said that the loss of Blue Bird was “a big eye opener,” and the community doesn’t want to have such closings happen again. Main Street Mt. Pleasant also supports retail shops and small businesses.

Regional efforts include involvement of Henry County’s smaller towns in quarterly mayors’ meetings that rotate among the towns and collaboration across four counties represented in the SEIRPC. Mt. Pleasant leaders have not given up on recruiting new businesses or industries; however, many say that it is becoming harder to compete with larger communities. With the town’s location at the intersection of highways and railroads, several leaders thought there was potential for an expansion of warehousing and shipping in the future. A number of persons viewed SEIRPC as a key partner in accessing state and federal programs and for regional approaches to economic development. One person said that southeast Iowa had focused on regional efforts in economic development well before the state began suggesting such an approach.

Entrepreneurship was identified as a new priority emerging in local discussions. Mt. Pleasant had previously not provided a program for entrepreneurs until Southeastern Community College began a six-week course specifically for those wanting to start a business. Leaders expressed interest in doing more for entrepreneurs and the city's Chamber of Commerce had agreed to take a leadership role and the development of a business incubator partnership with Iowa Wesleyan and others was being explored.

Although agriculture remained important, several said specific efforts to diversify beyond production agriculture were important. They said the diversification gave the town greater stability during downturns because not all were down at the same time. Others mentioned that agriculture had sustained itself and agribusiness has located in the area. Interest in attracting biotech firms was also mentioned.

Local officials mentioned that a 2003 labor shed study reported a good work ethic, good mix of skills, and high productivity among local employees. Except for the state prison, industries in Mt. Pleasant are not unionized. In recent years, there had been an increase in workers who were immigrants at several companies. Iowa Wesleyan faculty and students were also a factor in the growing diversity in the community. A Spanish newspaper focused on Latinos in the region had been started. Leaders said that even though they had lost Blue Bird there still were more people coming to work in the community. One person noted some workers even commuted from Missouri and after a while they eventually moved to the community.

The community has a number of historic and cultural attractions. In addition to area historic sites, the Old Threshers Reunion and Midwest Central Railroad Museum boost tourism in the area. An Art Gallery on Main Street hosts classes and provides an outlet for artisans. The Southeast Iowa Symphony Orchestra performs in Mt. Pleasant.

Leaders identified a willingness to cooperate and efforts to work together as one of the greatest strengths in the community. Leaders repeatedly said they didn't want to fight among themselves in either the short term or the long term, and although they "stepped on each others' toes now and then," there was a willingness to work together for the common good.

Community leaders also identified a "positive attitude that they can get things done." Leaders characterized this as a "can-do" attitude. "We don't back away from things, and we are aggressive in fighting for the town," one said. "We refuse to lay down and die," said another. "The community shows a willingness to invest in itself and people are open to change," said a third. Leaders remained generally positive about future prospects for the Mount Pleasant area.