

Iowa Communities of Distinction: An In-depth Study of Corning, Iowa - A Community with Can-Do Spirit *

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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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Corning, Iowa: A Community With Can-Do Spirit

Corning was founded in 1857 and it serves as the county seat for Adams County. Adams County is named after John Quincy Adams and is centrally located in southwest Iowa among gently rolling pastures and intermittent bottomland. During the 20th century, the county's population peak was in 1900, with 13,601 residents. In recent decades, Adams County has received notoriety as the county with the smallest population in the state. Using this status as a badge of honor, Corning's reputation is that of a tenacious community with leaders and citizens who bring a can-do spirit and who "step up to the plate" toward addressing the challenges and opportunities of the region.

In the 2000 Census, Corning's 1,783 residents accounted for 40 percent of the Adams County total. During the 1990s, Adams County experienced a net loss of 384 people. This was a 7.9 percent decline in county population. In contrast during the same decade, Corning declined 23 people for a decrease of only 1.3 percent. So the population declined at a greater rate outside city boundaries than in Corning proper.

What Changed Corning in the 1990s?

In contrast to the historic expansion of the national economy during the 1990s, Corning's economic base was rocked by company relocations, mergers and downsizing that translated into 275 jobs lost over a short period of time. Most notable was the relocation of the National Farmers Organization (NFO) which gained statewide media attention by moving its headquarters from Corning to Ames in 1990. The NFO vacated five buildings in Corning's downtown district. While many new jobs have been created to replace the ones lost, some local leaders point out that many of the more recently created jobs pay lower wages than the management and industrial jobs that were replaced.

Given the relocations and downsizing, it is all the more inspiring that Corning's leaders worked hard to rehabilitate and revitalize the downtown area. Corning became one of the first smaller rural communities to enter the Main Street Iowa Program. Currently, 33 communities in Iowa have been selected as "Main Street Communities." The program is designed to address downtown revitalization. Throughout the nation, there are 1,600 Main Street communities in 37 states. The program involves organization, promotion, design, and economic restructuring. Main Street Corning was accepted into the program in 1990 and sets design standards, assists new and existing retail business enterprises, hosts events that bring people downtown, and helps to acquire, fix up and resell strategic historic buildings to maintain the downtown area.

Since 1990, 179 of Corning's buildings have been rehabilitated with over \$1 million in private funds for property acquisition and over \$2 million in additional private funds for building rehabilitation. There have been 57 new businesses started and additional jobs have been added so that there has only been a net loss of 15 jobs since 1990. Corning is particularly proud of these numbers, because it essentially means that the community has gained back the job losses from the early 1990s. In 1996, Corning received the Spirit of Main Street Award from Main Street Iowa and in 1998 was selected as one of four

communities nationally to receive the Great American Main Street Award from the National Trust for Historic Preservation for its successful downtown revitalization efforts. Downtown Corning now promotes two old-fashioned soda fountains and a wide variety of businesses and specialty shops featuring historic Main Street themes.

Corning is located at the east-west, north-south crossroads of U.S. Highway 34 and State Highway 148. A mix of intrastate and interstate motor carriers serves the community. Corning is 40 minutes from I-80 and 60 minutes from I-29 and I-35. The local airport has a 2700-foot, hard surfaced runway with an instrument landing system and a non-directional beacon. The Burlington Northern Santa Fe Railroad also runs through the south part of town adjacent to the East Nodaway River. It has a spur serving Corning's Blue Grass Industrial Park, which is a mile west of the city limits along Highway 34.

The industrial park was started in the 1970s and the community was among the first in the region to construct a speculative building to attract new industry as a community economic development strategy. The industrial park currently has four main industries. Brown Bear is a homegrown manufacturer of environmental equipment, machines and attachments used for composting, bioremediation, sludge drying, land application and utility equipment. Also the industrial park is home to Precision Pulley & Idler, Wausau Homes, Midwest Products and has additional land for development with full access to electricity, gas, water, sewer, and high-speed telecommunications.

Using funds from state programs and city assistance, the Adams Community Economic Development Corporation (ACEDC) platted a new housing development called the Spring Lake Subdivision. The development was started in the late 1990s and includes 32 lots with paved streets and all utilities. Lots are priced from \$7,000 up. Enterprise Zone benefits, First-time Homebuyer programs, buy-down options for income qualified families and tax abatements are available. The development corporation builds speculative homes and duplexes for sale in the new addition. In addition, the Housing Committee of the development corporation is investigating options for residential construction infill on vacant lots within Corning. Community Development Block Grants are being successfully implemented in the community for housing rehabilitation. Other incentives for rehabilitation and demolition of substandard housing are being examined.

Agriculture is the historical foundation for the local economy. Adams County is currently home to 575 farms, which primarily produce corn, soybeans, cattle, hogs, hay, and forage. ACEDC has an active Rural Development committee that promotes value-added agriculture and entrepreneurial programs.

Healthcare

Leaders say that healthcare is viewed as an important asset serving the region. Corning's Alegent Health Mercy Hospital complex is one of the largest employers in the county. With a total of 165 employees, the medical staff includes three physicians, one nurse practitioner and one physician's assistant. In addition to the local doctors, 14 specialists come in from Omaha as needed and assist in weekend coverage. Leaders believe the

hospital provides a net inflow of dollars into the local economy because the service area is larger than Adams County. The hospital operates an ambulance service in partnership with the county, which provides \$50,000 in annual funding. Leaders say 90 percent of patient needs can now be provided locally, so travel is unnecessary. This is important to many seniors and seniors represent a disproportionate share of Southwest Iowa residents.

The hospital complex has recently been remodeled. The original facility opened in 1951 with 35 beds on three floors. In the 1990s, inpatient care accounted for 97 percent of the service and 3 percent was outpatient care. Now, outpatient care is 75 percent and 25 percent is inpatient care. During the interim, the greater Corning community and the Alegant Health System raised funds for a \$3.7 million modernization project to reconfigure the hospital into a more efficient design. Now one staff member can handle the ER, OB and acute care departments. A new surgery area provides rural access to modern technology. The late Austin Turner, a prominent local leader well known statewide, consented to be the Hospital Project Fund Drive Chair. Of the total, \$1.7 million was to be raised by local citizens and that was accomplished within six months. Hospital employees raised \$118,000 to kick off the fund raising campaign. The County provided \$300,000. A pledge of \$1,000 or more was required to place the donor's name on the hospital entry wall. Local donors were given the option to cover pledges during the next five years. Over 98 percent of the local pledges have been paid.

Corning's Alegant Health Mercy Hospital is a primary care provider with a service area that includes both Adams and Taylor Counties. Although Taylor County has no hospital, it is served by three clinics. One of the clinics is affiliated with Corning's Alegant System. The local fund raising success for the hospital may stimulate future interest for another major remodeling project--Corning's local clinic, which is also affiliated with Alegant Health. Corning's clinic is 23 years old, but it is the only clinic located in Adams County. Health care leaders are also working with economic developers to attract a dentist to the service region. A few years ago there were 4 dentists in the region.

An additional factor in the hospital's profitable operation is its designation as a Critical Care Access Hospital (CCAH). About 70 percent of the hospital's inpatient care and 60 percent of its outpatient care is Medicare-based, meaning an inability to collect full reimbursement for those services. Local leaders said that the CCAH designation means an extra \$500,000 annually, or the difference between generating a \$250,000 to \$300,000 profit versus an annual loss of \$250,000 a year if the designation were not available.

The hospital is supporting a community wellness center venture. It has 20-25 pieces of equipment and serves 185 members at \$15 per month. The goal is to break-even. An increase in diversity of new residents has been experienced in the region. Many come in with interpreters, and dual language phone access and health professionals are available.

Education

The Corning School District has a certified enrollment of 597 for 2003. Enrollment has declined by about 80 students during the past decade and recent projections suggest some

declines will continue during the next few years. The district has five buildings. There is a new elementary school with air conditioning. The junior high was built in the 1970s. The high school is an older facility in good repair and was built during the first half of the 20th Century. The other facilities are of moderate age, including the industrial technology building and an Activity Center for music, fine arts, gym and wrestling.

In the past, voters have approved a Physical Plant and Equipment Levy that is in place. In addition, voters recently approved a penny School Infrastructure Local Option (SILO) sales tax. The school district is one of Corning's largest employers with 94 employees. Some sharing of courses such as physics, chemistry, and building trades currently occur with the Villisca School District which is located about 16 miles to the southwest and has an enrollment of 411 students. The school district has a partnership with Southwest Iowa Community College to provide some of the advanced and more technical courses such as chemical applications and building trades.

In perhaps one of the more innovative distance education projects involving the Iowa Communications Network (ICN), all school districts in the athletic conference have agreed to synchronize their class schedules and to offer one course at no charge to the other districts. During this 3-year pilot project, courses in German, Russian, Psychology and others can be offered to high school students in all of these communities. As a result, local leaders say they can maintain about 100 course offerings locally, which is well above the minimum required for high school accreditation. According to local leaders, this was the first athletic conference to be extended to academic sharing and it wouldn't have happened without a \$494,000 USDA rural utilities grant and local support for the required 30 percent local match. The grant helped cover costs for 20 wireless laptops, touch boards, and updated wiring for each school in the conference. This allowed teachers and students to send and receive at all interconnected locations. Students may also enroll from outside of the athletic conference; however, these extra slots can be charged a fee. Local leaders attributed the program's success to its bottom-up design. Teachers and students were involved in figuring out what worked best in their school operating environments and had influence over the willingness to make adjustments in master contracts. The original idea was modeled after a Nebraska program.

Regarding private sector partnerships, local leaders say that some efforts have been made to involve local businesses in working with students and providing training in special skill areas. Classes in building trades have provided students with an opportunity to receive college credit while they were working on building one house during each of the last two years. While problem solving skills and activities are incorporated into the curriculum, entrepreneurship is not specifically designed to be a separate program or class activity other than perhaps vocational agriculture.

The school foundation sends out a quarterly newsletter to thousands of alumni to keep them informed of school and community activities. It is the primary tool used to request support for annual fund drives and it helps in the identification of potential donors for bequests to the school foundation. One endowment, recently created by a donation from a successful Omaha alum, supports a \$5,000 yearly best teacher award.

Development Limitations and Concerns

Local leaders say the greatest weakness in the community is a lack of growth in the local economic base. There is the perception that Corning is different from most towns of its size range and that local leaders are very aggressive and innovative in economic development. One leader summed these thoughts by saying, “Corning has had to run fast to remain about even in population and jobs. So all the effort, organization, and planning has resulted in new jobs, but the new jobs have only been sufficient to replace others that were lost.”

Corning’s FY04 consolidated property tax levy rate is \$41.25 per \$1,000 valuation. This is the 34th highest rate among Iowa’s 950 cities. It is important to point out that the industrial park is located outside the city limits. While this policy may help to keep local industrial sites competitive, it also partly explains why the city’s tax base may be narrower in comparison to other communities. Local leaders also expressed the view that certain state budget and policy changes have had detrimental effects in Corning. For example, Corning schools went from 58 to 48 teachers in 3 years and had to impose extra fees. Cuts in state aid were said to be particularly troublesome when they occur after budgets are certified.

Local leaders said the location provides both challenges and opportunities. While Corning is not on an interstate highway, it is centrally located for southwest Iowa; and for marketing purposes, it is about equal-distance from Omaha and Des Moines.

Leaders also expressed interest in developing a new program concept that would provide external funding for demolition and restoration of aging buildings. They expressed the view that many rural communities are facing the issue of what to do with their aging turn-of-the-century brick buildings. Costs of rehabilitation can often become overwhelming for small business owners and cities may face huge demolition and/or rehabilitation expenses when buildings are abandoned or turned over to them.

Development Assets and Strategies for the Future

The strategic plan of the ACEDC includes many specific goals for a broad set of local objectives. Included are goals for industrial development, housing, retail development, tourism & historic preservation, technology, and rural development. The development corporation has generated a track record of innovative and aggressive leadership coupled with risk-taking ability to accomplish its goals. Visits are annually made to all local businesses to determine their goals and needs. A goal for next year is to examine whether use of industry clusters and regional strategies would help in recruiting and retaining businesses locally. The Rural Development Committee also lists recruiting dairy farms to the area as a goal.

Compared to many communities, local government has an added element of local flexibility since Corning owns its own electricity, gas, and water and sewer utilities.

Both the City and County have shown a willingness to support economic development projects and participate financially. Tax Increment Financing (TIF) is locally used as a tool for economic development. Leaders indicated that they are willing to look very seriously at any business and help to make it financially work for the business and community. Corning's Main Street track record demonstrates this point.

Enhanced tourism and recreational opportunities exist in the area. Adams County Speedway hosts a 1/2-mile dirt track for the NASCAR Winston Cup Series that attracts consistent crowds of 2,000 race fans every Saturday from April to September. Corning also hosts a different kind of race called "Derby Down Davis." This competition is for soapbox derby cars and is held annually the last Saturday of July.

Lake Icaria is a 700-acre lake within a 1900-acre park north of Corning. The park is state-owned but managed by the Adams County Conservation Board. Some leaders expressed interest in touring Sun Valley in Ringgold County for seeking ideas about privatizing sections of the lake for sale as upscale lots. Such a concept could add population, and property valuation, and potentially enhance opportunities for commerce.

Another potential attraction is the development of the original Icarian Colony that was founded in 1852. The Icarian Colony was a French experiment in communal living that lasted nearly 50 years. The development plan includes reconstruction of the original colony as a living history museum. The communal dining hall is currently being rehabilitated at the original site two miles east of Corning.

An Arts, Crafts and Entrepreneurs (ACE) Guild was suggested to help develop critical mass for entrepreneur mentoring and joint marketing to Omaha, Des Moines, and Kansas City. The ACEDC and Main Street principles could help develop more local artisan talent and identify gaps and opportunities in local business clusters that could add to the appeal of this concept. A community entrepreneurship forum hosted by Extension and local development groups last year indicated a measure of entrepreneurial interest is locally present. Tours to other places modeling best practices may stimulate local action.

Corning's Community Foundation appears to have a structure that can facilitate local philanthropic projects. The Foundation's brochure shows linkage to local schools, churches, local government, the Chamber, economic development groups, and others. Coupled with the school foundation newsletter and health sector fund drives, a larger pool of potential donors can be given an opportunity to stay in touch with the community and to donate to a wider variety of projects of potential interest.

Local leaders identified participation in several regional groups including the Southwest Iowa Coalition, which includes 22 counties; the Grow Iowa Foundation, which provides low interest loans to small businesses. Also mentioned were SIRWA, SICOG, SIRHA, and RC&Ds in the region. Startup business referrals were made to the Southwest Iowa Community College Small Business Development Center before funding cuts temporarily ended the program.