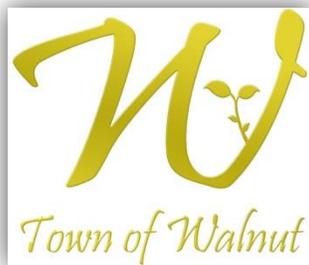




**Town of Walnut
Excellence Awards Application
Planning and Economic Development**





Groundbreaking Day

Above:

Pictured (l-r): Harry Orr, Aluma-Form CFO and Partner; Governor Phil Bryant, State of Mississippi; Attorney John Bobango, Farris Law Firm; Alderman Greg James, Town of Walnut

Right:

Pictured (l-r): Al Hopkins, Alderman Skip Wyse, Alderman Kevin Winter, Governor Phil Bryant, Mayor Vicki Skinner, Alderman Scott Pulliam, Alderman David Nabors



Cover Photo

Groundbreaking ceremony at Walnut Industrial Park 12/10/13 for Aluma-Form

Pictured (l-r)

Eddie Stroup, president, Tippah Co. Supervisors

Vicki Skinner, Mayor, Town of Walnut

Phil Bryant, Governor, State of Mississippi

Fred Newman, CEO, Aluma-Form

Harry Orr, CFO, Aluma-Form

Bob Glover, Chairman, Tippah County Development Foundation.



Governor Phil Bryant addressing the crowd at groundbreaking.

The Little Town That Could

History of Walnut Industrial Park

More than two decades ago, Alderman Greg James and his dad, Earl James were walking 400 acres of land just west of Walnut. They planned to buy the property from an individual, develop it and build homes on it. During the survey, Earl said, “this land needs to become an industrial park”. He was pretty good at marketing his ideas. Upon calling Mayor John Boyd and the Tippah County supervisors, a plan was developed allowing joint ownership between the county and town. Heavily populated with hardwood, the timber was sold to help pay off the property. Over the years, Mayor Boyd, Mayor Wallace Bell and Mayor Vicki Skinner continued to work with their respective boards, the county supervisors, and the Tippah County Development Foundation to improve infrastructure on the site. Growth came slowly at first, but after a while, Abby Manufacturing and Draka Elevator Products moved in. We were in business.

The Phone Call

On March 20, 2013, Mayor Skinner received a phone call from Fred Newman. He had passed by our industrial park several times and saw the large empty front section, comprising more than 150 acres on the North side of Highway 72. The mayor located first district Supervisor Jimmy Gunn and invited Alderman James to sit in on a conference call. During the call, we learned a little bit about Aluma-Form. It was a privately-held firm. We were told that all the decision-makers were on the conference call. We discussed their current situation, having outgrown their facility and needing to expand or move operations. We knew that the company was looking at sites in Batesville, MS and Bolivar, TN. Both communities have aggressive local economic developers. Alderman James asked one question pertaining to the business: “What keeps you guys up at night?” They all responded in agreement, “our workforce—or lack thereof”. The stage was set. The project begins.

Building the Team

At the time of the inquiry, Tippah County Development Foundation did not have an acting director. Mayor Skinner (who serves on the TCDF board) and Alderman James scheduled a trip to Jackson through Vaunita Martin (MDA-Tupelo) to discuss next steps with the Mississippi Development Authority. We met with the Jackson team on March 22nd to begin planning our course of action.

On the way home from Jackson, an agenda was crafted and key players were identified. In the past, TCDF rarely engaged anyone in negotiations. We were going to try something different in order to accomplish our goal. We would put together a cross-functional team. We talked with all the stakeholders and experts on our way home from Jackson, including our secret weapon: Nadara Cole, VP of Workforce Training and Economic Development at NEMCC.

Presentations

Making our Case

The Board of Aldermen gave full support to the project. In addition to NEMCC, the Town invited the Tippah County Board of Supervisors, Appalachian Regional Commission, Tippah County Development Foundation, Tennessee Valley Authority, North Mississippi Industrial Development Association, and the Northeast Mississippi Planning and Development District. We knew building strong partnerships with these entities was our best approach. On March 26, 2013, Walnut hosted a meeting at the Fire House. The meeting began with a welcome from Mayor Skinner, followed by presentations handed off to each of the stakeholders describing services offered. Nadara Cole presented all the workforce benefits that would come through Northeast. The anchor presentation was from Aluma-Form. They revealed plans that included relocating the entire operation in three phases over ten years. Phase I involved construction of a new facility that would employ more than 100 people. The meeting was closed by TCDF chairman Bob Glover. Walnut received a detailed 10-year plan from Aluma-Form on March 28th describing the company's strategy.

On April 2, 2013, Mayor Skinner, Alderman James, Supervisor Gunn and Board President/Supervisor Eddie Stroup visited Aluma-Form headquarters to learn more about their operation and tour the facility. By April 8th, the Walnut Board of Aldermen had developed a list of initial incentives to encourage selection of our site. We committed to provide up to \$800,000 in total to help offset relocation costs, including incentives for utility hookup charges that were under our control. On April 11th, the Town sent a topographical map showing how all phases of the Aluma-Form relocation could be located on a fifty-acre tract in our industrial park. Over the course of the following months, MDA took the lead on negotiations. The proposals between the Batesville and Walnut industrial parks were very similar. Our first battle was to take on our sister city. The odds were leaning toward Batesville, because one of the three principal owners had property there (Pete Landsgaard). We leveraged two counterproposals that Batesville could not meet: (1) the current availability of suitable property, and (2) our community college offered more personal service than theirs. The Batesville site was rejected based on these factors.

The story in Tennessee was much different. The other two principal owners had property in Hardeman County. It was during their weekend trips home that they had passed by the Walnut site. Tennessee tax incentives were much more lucrative to the ownership team. MDA asked the Mississippi legislators for help, but they were engaged in a large economic development interest in Tishomingo County. Both negotiations were on about the same timeline. Because of the international nature of the Burnsville plant, most of MDA (and Mississippi's) attention was focused on them. The scope of the Walnut project was smaller than the one in Burnsville. But to a small town like ours, one job is better than no jobs. We began to regroup. While Tennessee gained the lead in negotiations, the Town of Walnut would not give up.

On October 28, 2013, after several weeks passed with no communication, Mayor Skinner called CEO Fred Newman. He requested we give the ownership team a chance to talk and they would call back. On October 30, Mayor Skinner received a call from CFO Harry Orr. He indicated they were very close to making a deal with Bolivar. 4th down. They assumed Mississippi was no longer interested because they had not heard from them since August 2nd—almost three months. 4th and long. It was the worst of times.



The Little Town that Could Never Give Up

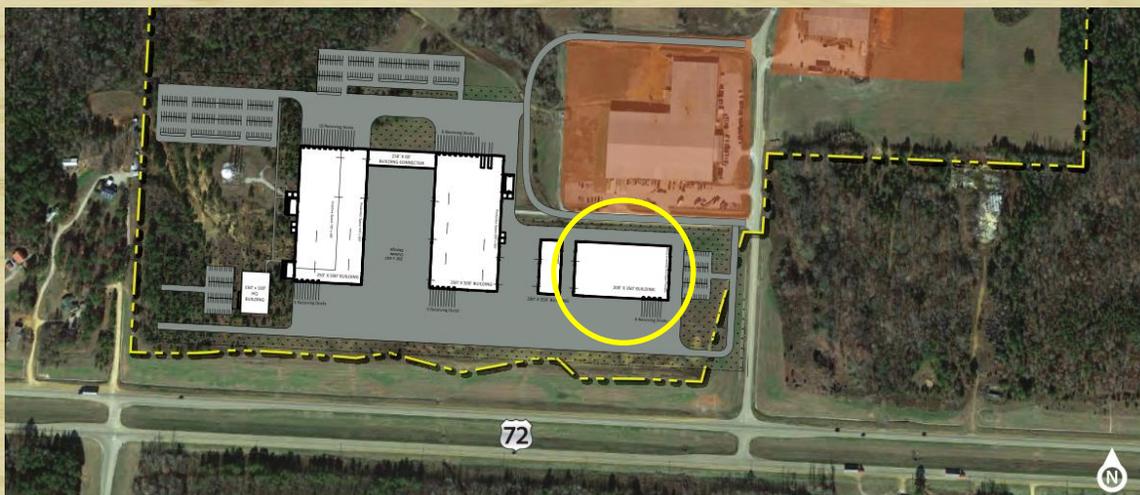
We put together our own team for marketing and negotiating. With the help of General Al Hopkins, we had an ear in the Capital. The Board of Supervisors, at the insistence of Supervisor Gunn joined the fight. In the last days before a decision was made, our MDA liaison in the Tupelo office indicated a decision was forthcoming, and Walnut was still in the mix, albeit not much support in upstream government. We made direct contact with Aluma-Form and scheduled a meeting for November 8th to lay out our case. By this point it had become a local effort, spearheaded by Mayor Skinner who had garnered support from Tippah County Development Foundation and the Board of Supervisors. The Aluma-Form principals told us they were deadlocked on whether to locate in Mississippi or Tennessee. On the evening of November 7th, Alderman James, now an employee of the Division of Workforce and Economic Development division of NEMCC wrote a letter of support. In it he reminded the principals of the first conference call and the question about what kept them up at night. Workforce. We issued a challenge: "If workforce is your current problem, then a new location in Tennessee will have the same workforce training support as you have now. At Walnut, we can do better."

On November 8th, Mayor Skinner, MDA Project Manager John Henry Jackson, Supervisor Gunn, and Alderman Scott Pulliam met with Aluma-Form executives at their Memphis HQ. It would be a last ditch effort to sell the owners on choosing the Walnut site.

As late as November 12th, a State Senator who serves on the Economic Development committee in the Senate said they had lost all hope in the Aluma-Form project. Sometimes you win, sometimes you learn. We learned a valuable lesson: Municipalities cannot rely on the state to solve our problems. In order to create and sustain wealth, we must develop close ties with our local economic developers. And we must never give up. If you want something, you have to make it happen. Mayor Vicki Skinner and the Walnut team led the effort and engaged all the right people. On November 22nd, the day we returned from the MML Small-Town Conference, we got a phone call. There would be no more discussions. Aluma-Form was coming to Walnut, Mississippi.

Groundbreaking Ceremony

Yes, they all came to the groundbreaking. And we welcomed them. The Aluma-Form executives expected state and local officials to be present, but they were completely overwhelmed at the turnout from the community. More than 200 people showed up. CEO Fred Newman stated they were confident in their decision based on the size of the crowd. He thanked all of the partners for their support, pointing out that the Town of Walnut and the Board of Supervisors never gave up. Then he revealed what kept them hanging on to the Walnut site: "Nadara, you had me at hello." Workforce. Our plan worked. There is no better workforce than those in Northeast Mississippi. Maybe now the Aluma-Form principals can get some rest.



Site Plan of
Aluma-Form
Relocation.

Phase One
building is circled.

Results

Why Aluma-Form Is Important to Walnut

For every dollar a company pays in payroll, it will turn over in the community four to eight times. Therefore, an annual payroll of \$500,000 will make an economic impact in the community of between \$2 and \$4 million annually. Since the industry announcement was made, the town has received numerous inquiries about locating and expanding businesses. Most of these are commercial properties such as restaurants, convenience stores, grocers, and fuel stations. The increased revenue from sales tax and property taxes will infuse much needed capital into our operating budget. From the initial \$800k investment offered by the town, the payback would occur after only 2.4 months in the first year of operation. Subsequent years would infuse spending dollars in a community that is among the poorest in the state. Aluma-Form will bring goods and services into our community from external sources that did not feed our economy before. Training and development will elevate the technical skill levels of our community, helping us market and sustain future growth. After two decades of infrastructure investment, we will at last begin to improve the quality of life for our whole community and sustain efforts to provide wealth and opportunity for the region. Walnut is becoming a destination, not a drive-through. Commercial businesses will thrive, service businesses will grow and unemployment rates will go down. Everyone benefits.

Growth

Since the Aluma-Form news broke, we have received confirmation of the following business plans. While we are unable to release all details at this time, all of them were influenced by the location of a new industry in our town:

Subway: groundwork complete, construction to begin on a new building featuring a drive-thru window (our first!).

Dollar General Plus: closed on new site to build 10,000 s.f. building, largest footprint for DG in North Mississippi.

Business tba: gun and pawn shop opening in currently vacant commercial building.

Business tba: clothing boutique opening in currently vacant commercial building.

Business tba: relocation and expansion of existing breakfast café into full service family restaurant.

Business tba: a large inventory used car dealership

Business tba: large commercial investment in negotiations now for a 12,000 s.f. retail/convenience establishment

Business tba: relocation possible of a large farm equipment dealer, currently residing in a rural area.

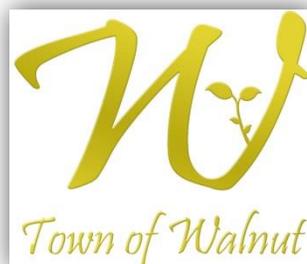
The Town of Walnut is pursuing further development of the downtown area including parking, a depot-type pavilion to recognize our history, farmers market, family gatherings under the stars, and renovation/revitalization of the empty buildings. It is the best of times.



The economic impact of Aluma-Form locating in the Walnut community is explosive:

- ✓ Increased income
- ✓ Reduced unemployment
- ✓ Elevated skill levels
- ✓ Additional commercial businesses
- ✓ Additional service industries
- ✓ Importing \$'s from sources outside Walnut
- ✓ Introduction of goods and services from outside sources
- ✓ Increased traffic flow. More people = more tax \$'s

Community is where you live;
Home is where you belong.



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