

KCAP



Annual Report 2024



LETTER FROM THE PRESIDENT

Enclosed you will find our 2024 Annual Report for KCAP's investors. Right off the top, I want to thank you for supporting the work of the Knox County Area Partnership. None of this work happens without your ongoing commitment to economic development.

2024 was the 9th year of our organization's existence and in many ways, it was the most important year since our founding. In May, the KCAP Board and other stakeholders developed a new Strategic Plan for the organization that we have begun calling "KCAP 2.0". This plan pushes the organization to take on new priorities, grow our team and grow our resources. Elsewhere in this report, we provide updates to five key growth areas for the organization. The bottom line is that KCAP 2.0 is going to be a stronger organization with a broader set of priorities.

If I had to sum up 2024 in one word, it would be "momentum". Multiple major projects were announced in 2024 that will reshape our community in future years. These include the re-use of the former Maytag building by Thrushwood Farms, growth in our healthcare sector from both Graham Health System and OSF St. Mary Medical Center, new construction at Carl Sandburg College and several other key projects. Even though it was technically a 2025 announcement, I must also mention the recently-announced DeLong project. That project will mark the first new construction in the Galesburg Business Park property. Combined, these projects account for more than \$150 million in new capital investment in our community.

Momentum is critical, because our task is going to get more challenging in the years ahead. Multiple community partners, KCAP included, are turning to the significant issue of housing. Much work will need to be done to catalyze growth in that sector. In addition, KCAP is leading the charge to build our community's presence in Washington D.C., which will help us obtain future federal funding for key community projects.



In closing, this is an exciting time for KCAP and for the community. We ask you to continue your support of this vital work.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt J. ...". The signature is fluid and cursive, written over a white background.

KCAP'S NEW DIRECTION

KCAP's Strategic Plan now focuses on the five key areas below in addition to our continued work of "Launching, Locating and Growing in Knox County."

NEW COMMUNICATION PLAN

KCAP is working on telling the story of growth in Western IL, in a new and widely immersive way. We intend on sharing the story of local business successes, regional opportunities and the revitalization of our community.

FEDERAL ADVOCACY

KCAP will convene a group of regional leaders to embark on an annual advocacy visit to Washington D.C. This group will advocate for key projects in our entire region and work towards securing federal resources for those projects. The first trip is expected to be completed in Q1/Q2 of 2025.

A NEW INVESTMENT DIRECTION

Growth in the organization's workplan requires additional resources. Our goal is to reach \$650,000 in annual funding.

HOUSING IN THE REGION

Housing is becoming an important issue in the region. KCAP will be working with area leaders to tackle the root causes of the housing issue. There will be much more to come on this subject in 2025.

CHANGES TO GOVERNANCE

By updating KCAP's bylaws, the board expanded to bring additional leaders to the table. For a detailed description please see the next page.



MEET OUR NEW LEADERSHIP



During the 2024 Investor Business Meeting, investors voted to add Seamus Reilly, Adam Vitale and Sara Yemm-Witherell to the Board. Later in 2024, the bylaws were amended to allow the appointment of five newly appointed at-large positions. Those positions have been filled by Doug Hanks of Thrushwood Farms, Doug Sanders of F & M Bank, Mark Kleine of Kleine Companies, Marshall Schrader of the Galesburg Sanitary District and John Asplund of District #205. The Board now consists of 7 Member Directors, 3 Public Sector Directors and 5 At-Large Directors. KCAP would like to thank our Board of Directors for their commitment to our organization and their contributions during the 2024 Strategic Planning process. If you are interested in serving on the Board of Directors, please contact Ken Springer for more information.

John Asplund
Cusd # 205

Jared Hawkinson
Knox County Board
Chairperson

John Pritchard
Galesburg Broadcasting

Peter Schwartzman
Mayor of Galesburg

Josh Gibb
Galesburg Community
Foundation

Rebecca King
Old National Bank

Seamus Reilly
Sandburg College

Adam Vitale
G & M Distributors

Doug Hanks
Thrushwood Farms

Mark Kleine
Kleine Companies

Doug Sanders
F & M Bank

Sara Yemm-Witherell
Yemm Automotive

Eric Hanson
Galesburg City Manager

Andrew McGatney
Knox College

Marshall Schrader
Galesburg Sanitary District

KNOX COUNTY IL CEO PROGRAM

The Knox County IL CEO Program celebrated 7 years and welcomed 7 students into the program in the Fall of 2024.

This first semester, the students completed 20+ Site Visits and spent over 40 hours learning from speakers from around the region and across the country. The class focused on building their individual skills and collaborated on their class business. This year, the students decided to run a Holiday Trivia Night at the Vault in Galesburg. The event was open to the community and was a huge success! The students were grateful for the sponsors and participants. All funds collected for the Class Business go back to the students for their individual businesses.

From top to bottom:

Henry Powers

Senior Williamsfield

Carson Olsen

Senior GHS

Nathan Nelson

Senior GHS

Camden Cox

Junior GHS

Jeremy Kleine

Program Facilitator

Serenity Glahn

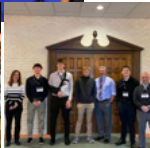
Senior AAHS

Annabelle Mannon

Senior AAHS

Lucy Kuelper

Senior ROWVA



Spotlighting Growth in the Region

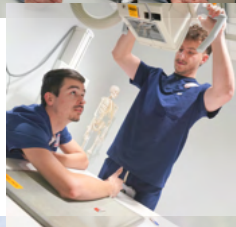
HOW SANDBURG COLLEGE IS INVESTING IN KNOX COUNTY



A new Science and Technology Building on Sandburg College's main Galesburg campus opened its doors for students at the beginning of Fall Semester this year after years of planning and strategic investing. The \$27 million new construction will now house the Health professions programs such as nursing, dental hygiene, practical nursing and more.


In spring of 2025, Sandburg will open a newly renovated Student Center that will be connected to the Science and Technology Building. This will feature more areas for student led collaboration. Sandburg has also recently gone through a rebrand from "Carl Sandburg College" to "Sandburg College," and is focusing on the future of the Chargers.

On the horizon is a potential "Charger Center" which would open Sandburg to bringing convocation, communication and more collaboration back to campus. The College is also investing into campus improvements that include wildflower greenspaces and access to Lake Storey through updated walking and biking paths.



Spotlighting Growth in the Region

FROM GALESBURG ROOTS TO GLOBAL LEADER



Western Smokehouse Partners and its subsidiary, Thrushwood Farms Quality Meats announced two large investments in Western Illinois in 2024. In May, Western Smokehouse Partners named Galesburg their headquarters and expanded their downtown offices. In October, Thrushwood Farms announced a \$50 million expansion into the former Maytag building on Monmouth Ave. This project was made possible by a \$1 million development agreement from the City of Galesburg.



Thrushwood Farms was founded in Galesburg in 1978 as a meat processing business and is now a global leader in the protein snack stick market. In 2020, Thrushwood Farms became part of the Western Smokehouse Partners Family.

With the expansion of their manufacturing facilities, the company will soon employ over 350 which will make them one of Galesburg's largest private employers.

Spotlighting Growth in the Region

THE GALESBURG BUSINESS PARK GETS ITS FIRST TENANT

In January of 2025, the City of Galesburg was awarded a \$25 Million federal transportation grant. Funds will be used to install rail track and switching at the Galesburg Business Park (Logistics Park) property. This funding will allow for the community to land its first large-scale project in the Business Park. The DeLong Company will start construction of a large \$54 million containerized agricultural terminal.

The DeLong Co. is a 6th generation, family owned and operated business that calls Clinton, Wisconsin their home. The company also has locations in 37 other communities in the U.S. They specialize in six divisions of logistics and agricultural sales and services including grain, exports, agronomy, transportation and wholesale feed.

The "Rebuilding American Infrastructure with Sustainability and Equity" (RAISE) Program is a very competitive source of federal transportation funding. KCAP would like to thank the City of Galesburg, Congressman Sorensen, Congressman LaHood, Senator Durbin, Senator Duckworth, State Senator Halpin, State Representative Swanson, BNSF Railway, The IL Dept. of Transportation, the Knox County Farm Bureau, and the IL Dept. of Commerce and Economic Opportunity for the assistance and guidance through the application process.



Spotlighting Growth in the Region

In 2023, Graham Health System expanded into the Knox County Healthcare Market. Their intent was to fill the gap left by the closing of the Cottage Hospital System. Since then, Graham has started construction on one multi-purpose, 30,000 square foot ambulatory care campus and has renovated three existing buildings. These include:

- 1174 N. Seminary St. - Knox & Fulton County Wound Clinic**
- 530 N. Seminary St. - Women's Health, Dermatology and Podiatry**
- 455 E. Third St. - Primary and Convenient Care Clinic**
- 2028 N. Seminary St. - Primary, Convenient Care and Center for Ambulatory Care**

Graham opened a large, multiphase building in 2024 at 2028 N. Seminary St. which includes ambulatory care, convenient care, endoscopy center and imaging center. Phase one is complete, and phase two will be occupied in spring of 2025. Construction on phase three, an outpatient ambulatory surgery center, will begin in the summer of 2025 and set to open summer of 2026.

Graham Health System worked with the City of Galesburg to develop their new ambulatory campus into community focused developments collaborating with aldermen and community neighbors during all renovations.



A NEW HEALTHCARE PROVIDER GROWS IN GALESBURG



Spotlighting Growth in the Region

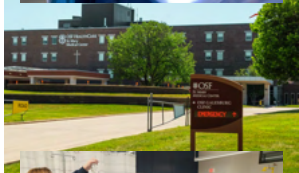


HIRING LOCALLY, CARING LOCALLY

OSF Healthcare has continued their commitment in rural and Western Illinois by adding more than \$20 million of internal investment in the last five years. In 2025 they will invest an additional \$6 million into the renovation of their emergency department. That addition will add six new emergency department rooms and a new waiting area and registration that puts their clinical team up front and ready to engage with patients. OSF is also adding redesigned behavioral health rooms and bathrooms.

OSF is planning to break ground on a \$20-25 million cancer institute extension campus in 2026-2027. This will be one of the first rural hubs focusing on rural access to oncology, medical oncology, and state-of-the-art support services. The new facility will be an extension of the Cancer Institute in Peoria, bringing access to those services closer to home.

The OSF team is dedicated to being a steadfast pillar of healthcare in the community. As the only intermediate regional hub, they continue to invest in rural healthcare in Western Illinois.



SINCE 2015:

Total KCAP Funding To-Date: \$2,948,059

Total Jobs Created: 918

Total Capex including Renewables: \$256,300,000

Total Capex excluding Renewables: \$69,636,342

CLIENT PIPELINE:

Deals Closed in 2024: 7

Local Business Expansion/Redevelopment/Relocation: 23 Clients

Attraction Leads: 12 Clients

Small Business Advisement and Referral: 58 Clients

ROI (RETURN ON INVESTMENT)

Every \$1 in KCAP funding,
(excluding renewable energy deals)
has generated **\$23.62** in community investment

Every \$1 in KCAP funding,
(including renewable energy deals)
has generated **\$110.56** in community investment

