

M E M O R A N D U M

DATE: December 8, 2003

TO: Russ Trimble
Legislative Fiscal Bureau

FROM: Mike Blouin, Director
Iowa Dept. of Economic Dev.

RE: IDED Travel Costs

You requested information on IDED's travel costs relating to the following trips taken by Governor Vilsack, including Bal Harbor (Dec. 30, 2002 – Jan. 3, 2003); Chicago (July 14-16, 2003 and Sept. 25-26, 2003); Crawfordsville (May 24-25, 2003); Dallas (March 15-16, 2003); Frankfurt (March 30-April 5, 2003); Indianapolis (Aug. 15-19, 2003); Los Angeles (Oct. 2-3, 2003); Phoenix (March 13-14, 2003); Taipei (September 12-20, 2003) and Washington (Oct. 3-5, 2003 and Oct. 9-10, 2003).

IDED was involved in four of these trips you requested via email. The information for each is below. To separate travel expenses incurred by IDED just associated with the Governor's portion of each trip would be misleading. So, in an effort to put this in context, we've included all the expenses associated with all the activities IDED was involved in for the locations and dates you list.

Thank you for allowing us additional time to put this information together. Please contact us should you have questions on the information we're providing.

Frankfurt, Germany:

The Governor led a group to Frankfurt, Germany March 30 – April 5. Over 75 companies attended an investment seminar hosted by Governor Vilsack and IDED to discuss the business opportunities that exist in Iowa. Over 30 project leads resulted from this trip. IDED representatives have met with over 15 of these companies on trips to Germany since April and have commitments from two companies to visit Iowa in the next six months.

During his stay, Gov. Vilsack, accompanied by Mike Blouin, Jeff Rossate and Joseph Rude (IDED staff), met with key leadership from the European Union Bank. Chairman Wim Duisenberg is the equivalent of America's Alan Greenspan. The meeting was arranged to discuss market opportunities and the effects of the Euro v. Dollar on global economics and the impact to foreign direct investment. In addition, Governor Vilsack, Mrs. Vilsack, Blouin, Rossate and Rude met with the Governor of the State of Hessen. Iowa's office in Germany is located in this state. Hessen has a long-standing relationship with Wisconsin as a sister-state and Governor Vilsack extended an invitation to the Governor to visit Iowa upon his next trip to the United States.

The Governor, Blouin, Rossate, and Rude also conducted a confidential corporate visit, where they met with leadership of a major life sciences company. They highlighted the assets Iowa has to offer in the crop sciences industry. The company's chairman, president and several vice presidents attended the meeting.

Several Iowa communities and economic development organizations participated in the Germany trip, including the Greater Des Moines Partnership, Quad Cities Development Group and Priority One (Cedar Rapids). IDED staff and community representatives conducted 15 confidential business visits during the trip.

Expenses to IDED's General fund, business development line-item, include airfare for Gov. Vilsack of \$4940 and Mrs. Vilsack of \$4940. Travel expenses, including airfare, meals and lodging, were \$7947 for Blouin, \$3930 for Rude, \$7491 for Rossate. Seminar expenses incurred included \$45,994 to the IDED Germany office and \$15,765 from the IDED Foundation. The IDED Foundation also received revenue of \$25,830 from sponsorships paid by participating communities/economic development organizations to offset some of the costs.

Dallas, Texas (this trip occurred in April, not March as your email indicates)

Rossate was invited by the Greater Des Moines Partnership to join them on sales calls to the Dallas metropolitan area April 14-16. Rossate attended 11 meetings over the course of three days. Two solid leads have come from the trip so far and are being followed up on.

On April 16, Governor Vilsack and Blouin met with key representatives at an existing industry headquarters call; they were accompanied by Rossate. The Governor and Blouin flew in and out of Dallas on the same day to attend this meeting with the CEO/Chairman, President, and four Vice Presidents of the company to discuss long-term plans for the facility.

The client is discussing a retention/expansion scenario for Iowa. This meeting also spurred the opportunity for dialogue between the management and labor committee of the company to discuss necessary changes in how the facility operates to remain competitive. Iowa is competing against five southern states for a project that would diversify and solidify the company presence in Iowa for the next several years.

Governor Vilsack and Blouin each incurred airfare costs of \$838 and \$842 for their commercial flight to Texas. The IDED General Fund, business development line item was the source of funding. Rossate's travel costs, including airfare, lodging for two nights and meals totaled \$1691, also coming from the General Fund, business development line-item.

Taipei, Taiwan and Tokyo, Japan

The Government of Taiwan invited the Governor, legislators - including Senator and Mrs. Stew Iverson, Senator Mike Gronstal, Senator Dennis Black, Rep. Chuck Gipp, and Rep. Paul Bell - and Blouin to visit Taiwan and experience the economic opportunities available. Iowa and Taiwan have a long-standing trading relationship. During the trip, the Governor signed a Memorandum of Cooperation to enhance opportunities for exporting meat to Taiwan. IDED staff has since traveled to Taiwan to follow up.

Governor and Mrs. Vilsack and Blouin went on to Tokyo to thank Japanese businesses for their investment and continued expansion in the state. Governor and Mrs. Vilsack also hosted a reception that included graduates of the Regent's universities and business people, furthering trade and investment ties to Iowa. While there, the Governor also took the opportunity to visit with biotech partners; a dinner was hosted for approximately 40 people and included several biotech companies. Subsequently, IDED led a mission of five Iowa biotech companies in response to the Governor's efforts.

Travel costs for the Taiwan part of the trip were picked up by the Taiwanese government. Governor and Mrs. Vilsack each had travel costs of \$6453 for the Japan trip, and Blouin for \$4,042 (because his travel includes trips to the Netherlands and Germany, the Tokyo segment is prorated - \$7626 at 53%). IDED's Japan office incurred costs of \$27,720 for expenses associated with the business meetings.

Chicago, IL

INED conducted a sell trip to Chicago Sept. 25-26 to meet with corporate prospects, headquarters of Iowa facilities and service providers (lawyers, consultants) to discuss the advantages and opportunities in Iowa. Over 30 company appointments were scheduled. Communities and economic development partners that attended included Priority One, Siouxland Initiative, Greater Des Moines Partnership, Iowa Area Development Group, Mason City Economic Development, Union County Economic Development, Quad City Development Group, Ames Economic Development, Pella Economic Development, and Iowa City Area Development Group.

On September 26, two corporate meetings were scheduled and attended by Governor Vilsack, Rossate, Balzer and community representatives from the locations where the companies have Iowa facilities. For both meetings, key corporate leadership was present, including the CEO/Chairman of one company. Both meetings resulted in a better understanding of how Iowa can assist with each company's potential expansion opportunities.

Also on Sept. 26, Governor Vilsack hosted 40 company and consultant representatives at the Cubs/Pirates game to further discuss business opportunities/advantages of Iowa. Due to a rain delay and subsequent cancellation, the opportunity to discuss more one-on-one with the guests resulted in a much better environment for communications. We are currently pursuing five leads from this event.

Also, a Human Resource Recruitment Consortium event was scheduled the evening of Sept. 25 and held at the Chicago Cultural Center. Over 500 former Iowans attended the event hosted by Governor and First Lady Vilsack. In addition, corporate and collegiate sponsors attended, including University of Iowa, Iowa State University, Buena Vista College, Rockwell Collins, etc.

The costs incurred for this trip include airfare and other travel expenses for Governor Vilsack of \$1343, airfare of \$1080 for Mrs. Vilsack, a trooper and Matt Paul each, travel expenses of \$1145 for Moorman, \$876 for Koonce, \$776 for Snyder; \$888 for Balzer, and \$1271 for Rossate. A cost of \$650 for program printing for the HRRC Alumni Reception and career fair was also incurred. All of the above expenses were funded through IDED's General Fund, business development line-item. Additional costs incurred were funded from the IDED Foundation account, including \$15,190 for the cost of the business development event and \$49,152 for the HRRC Alumni Reception and career fair. Sponsorships from participating economic development representatives totaled \$6617 and were credited to the IDED Foundation account to offset expenses.