



IOWA FINANCE
AUTHORITY

Economic Development Appropriations Subcommittee

February 2, 2022

Debi Durham | Executive Director
Iowa Finance Authority | Iowa Economic Development Authority



BUSINESS

COMMUNITY

PEOPLE



**ADVANCED
MANUFACTURING**



BIOSCIENCES



**FINANCE AND
INSURANCE**



INFORMATION TECHNOLOGY



EDUCATIONAL TECHNOLOGY

A semi-transparent teal overlay on the left side of the image, featuring a background photograph of two men in business attire reviewing documents.

INNOVATION

A blue curved banner containing a white technical drawing of a mechanical component.

COMMUNITY DEVELOPMENT

An orange curved banner with a background image of an industrial facility, showing large storage tanks and complex piping.

ENERGY

A red curved banner with a background image of a large-scale construction project, showing a massive concrete structure under development.

UNCERTAINTY/ECONOMY

A dark blue curved banner with a background image of a city skyline at dusk or night, with buildings and lights visible.

MARKETING

A photograph of a male scientist with a beard and safety glasses, wearing a white lab coat, working in a laboratory. He is looking down at a piece of equipment. The image is overlaid with a teal color scheme and a circular cutout effect. The word "INNOVATION" is written in white, bold, uppercase letters on the left side of the teal overlay.

INNOVATION

**\$29.3 BILLION — OR 17.3%
OF IOWA'S GROSS STATE PRODUCT IS
GENERATED BY MANUFACTURING**

SOURCE: BUREAU OF ECONOMIC ANALYSIS, 2020

**MANUFACTURING EMPLOYS
15% OF IOWA'S TOTAL WORKFORCE**

SOURCE: BUREAU OF LABOR STATISTICS, 2019

**64% OF IOWA'S EXPORTS COME FROM
THE MANUFACTURING INDUSTRY**

SOURCE: BROOKINGS INSTITUTION, 2017

**MANUFACTURING JOBS PAY 25% MORE
THAN THE AVERAGE PRIVATE SECTOR JOBS**

SOURCE: BROOKINGS INSTITUTION, 2017

Supporting Adoption of Automation

Iowa is helping manufacturers integrate smart technology into their operations to remain globally competitive through the fourth industrial revolution.

Manufacturing 4.0 Plan - iowamfg.com

- Supplier Connection Portal (Phase I launched)
- OEM Advisory Council
- Bonus depreciation
- Grants for small to medium size manufacturers that invest in smart technologies
 - Small Grant Program Total Amount Available: \$7 million (\$2 million from State, \$5 million from ARPA)
 - Large Grant Program Total Amount Available: \$25 million (ARPA)

“The funds awarded through the Manufacturing 4.0 Technology Investment Equipment Grant will allow the company to achieve essential modernization and automation of its products and production processes that the company can increase sales and protect against growing supply chain disruptions and labor shortages.”

Ross Rocklin
Rocklin Manufacturing

Innovation Initiatives

- Butchery Innovation and Revitalization Fund
 - Provide financial assistance in the form of grants to businesses for projects relating to small-scale meat processing, licensed custom lockers and mobile slaughter units
 - \$750,000 legislative appropriation in 2021
 - 54 applications, requesting more than \$2.4 million, received an average score of 75 or above
 - 15 companies awarded
 - In addition, Governor Reynolds allocated \$1,045,500 to 22 applications
- Broadband / telecommuter forward certification program
 - Highlight communities that have invested in significant broadband planning and infrastructure to attract people and businesses to their communities
 - Consultant RFPs have been received and scoring is in progress

**BIOSCIENCE JOBS PAY
86% MORE THAN THE AVERAGE
PRIVATE SECTOR JOBS**

SOURCE: BIOTECHNOLOGY INNOVATION ORGANIZATION, 2016

**IOWA'S BIOSCIENCE
R&D EXPENDITURES ARE 30% HIGHER
THAN THE NATIONAL FIGURE**

SOURCE: BIOTECHNOLOGY INNOVATION ORGANIZATION, 2014

**IOWA RANKS
FIRST IN BOTH ETHANOL AND
BIODIESEL PRODUCTION**

SOURCE: ENERGY INFORMATION ADMINISTRATION, 2019

**IN 2020, IOWA EXPORTED
\$231 MILLION IN PHARMACEUTICAL
PRODUCTS TO 71 COUNTRIES**

SOURCE: WISERTRADE, 2020

Building up our Biosciences

**BIOBASED
CHEMICALS**

**PRECISION
AND
DIGITAL
AGRICULTURE**

**VACCINES
AND
IMMUNOTHERAPY**

**MEDICAL
DEVICES**

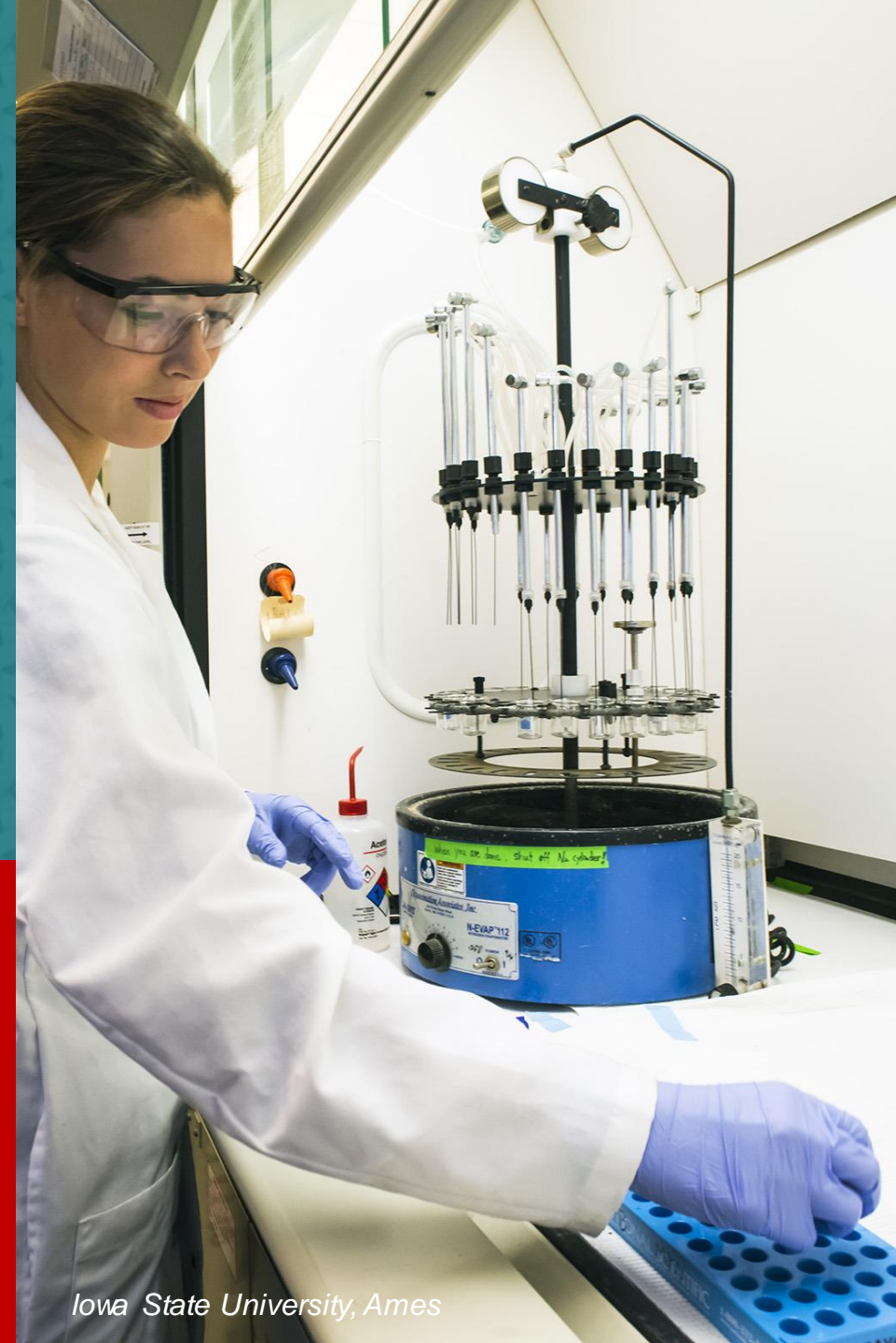
Iowa Biosciences Report: iowaeda.com/our-agency/reports

Biosciences Opportunity

- The pandemic has underscored the need in Iowa to commit to a long-term bioscience strategy and reshoring of critical supply chains
- Includes pharmaceuticals, medical testing supplies, therapeutics and vaccines

Legislative Request

- University of Iowa – Medical Devices – Increase of \$125,506 to reach \$1 million
- Iowa State University – Digital and Precision Ag, Vaccines and Immunotherapeutics and Biobased Products – three platforms for an increase of \$376,519. All three would reach \$1 million



Funding Continuum

INVESTIGATION

FEASIBILITY

DEVELOPMENT

INTRODUCTION

GROWTH

MATURITY

PROOF OF COMMERCIAL RELEVANCE



AWARDS UP TO \$25,000
IN LOW INTEREST LOANS

DEMONSTRATION FUND



AWARDS UP TO
\$125,000 IN LOANS
OR ROYALTY
PAYMENTS

PROPEL



AWARDS UP TO
\$300,000 IN
LOANS
OR ROYALTY
PAYMENTS

EXPANSION



AWARDS UP TO
\$500,000 IN
LOANS
OR ROYALTY
PAYMENTS



“We are grateful to live and innovate in a pro-business state like Iowa. IEDA truly opened the doors for the AgriSync team to thrive in Iowa. Through the Targeted Internship program we were able to hire software engineers and keep the best talent in our state. Innovation Continuum Funds helped sow the seeds of confidence that ultimately helped our 20+ team members. If you are going to innovate in agriculture, you should plant yourself in Iowa.”

Casey Niemann

President and Founder

AgriSync

An aerial photograph of a residential neighborhood is shown on the left side of the image. The houses have various roof colors, including grey and brown. There are trees and a paved road visible. A large, semi-transparent blue circle covers the right two-thirds of the image. The text 'COMMUNITY DEVELOPMENT' is centered horizontally across the blue circle in white, bold, uppercase letters.

COMMUNITY DEVELOPMENT

**75% OF CHILDREN UNDER 6
HAVE BOTH PARENTS WORKING
OUTSIDE THE HOME**

SOURCE: IOWA WOMEN'S FOUNDATION

**FAMILY WITH SINGLE-PARENT
MEDIAN INCOME SPENDS
40.7% OF INCOME ON CHILD CARE**

SOURCE: IOWA WOMEN'S FOUNDATION

**IOWA HAS LOST 33% OF CHILD CARE
BUSINESSES OVER THE PAST 5 YEARS**

SOURCE: IOWA WOMEN'S FOUNDATION

**CHILD CARE ISSUES RESULT IN AN
ANNUAL LOSS OF \$935 MILLION
FOR IOWA'S ECONOMY**

SOURCE: IOWA WOMEN'S FOUNDATION

Child Care Task Force Recommendations

PARTNERSHIPS
CHILD-STAFF RATIOS
SHARED SERVICES
SLOTS
BEND THE COST CURVE
FINANCIAL INCENTIVES FOR BUSINESSES

Proposed Legislation:

- Allow child care providers to collect additional payments from families who are on Child Care Assistance - make up the difference between the reimbursement rate and the rate a family would pay for its own child care
- Increase the number of 2-year-olds and 3-year-olds allowed in the care of an individual provider
- Allow people 16 years or older who work at a child care facility to be employed and provide child care

THE BEST PLACE FOR WORKING PARENTS®

IOWA

www.iowaeda.com/resources/



**HOUSING DEMAND IS EXPECTED
TO GROW BY 61,000 HOUSEHOLDS
BY 2030**

SOURCE: IOWA PROFILE, 2020

Workforce Housing Tax Credits

- Provides tax benefits to developers to build in Iowa communities, focusing on projects using abandoned, empty or dilapidated properties
- FY22 application round - \$30 million dollars in credits available for new projects and \$10 million for waitlist
 - Of the \$30 million, \$12 million set aside for Small Cities
 - 137 applications requesting \$85.9 million in tax credits, of which 49 were approved
 - Projects scored competitively based on readiness, financing, need and local support and participation
- FY23
 - \$35 million with \$17.5 million allowed for small cities
 - Anticipated application window: April 1 - June 15, 2022

Contact: Nichole Hansen at nichole.hansen@iowaeda.com or 515.348.6215



State Housing Trust Fund

- Standing Appropriation
 - State Housing Trust Fund receives a standing appropriation of \$3 million from the Rebuild Iowa Infrastructure Fund and 30% of the Real Estate Transfer Tax, up to a maximum of \$7 million annually
- Past Performance
 - For every \$1 of the State Housing Trust Fund, \$1.69 in other financing is leveraged
 - Generated \$170 million in other funds

\$7.2 million awarded in FY21

Contact: Terri Rosonke at terri.rosonke@iowafinance.com or 515.452.0440



Redevelopment Tax Credits

- Iowa developers can receive tax credits to redevelop underused industrial and commercial property:
 - **Brownfield Sites**: Real or perceived environmental challenges
 - **Grayfield Sites**: Abandoned public buildings, or buildings with vacancy issue
- Program cap: \$15 million
 - Any unallocated or unused redevelopment credits can be carried forward for allocation to a subsequent fiscal year
- Project cap: \$1.5 million
 - Program sunsets June 30, 2031

Contact: Matt Rasmussen at matt.rasmussen@iowaeda.com or 515.348.6196



Norwest Iowa Mental Health Center, Spencer

Catalyzing Growth

■ Challenge Grants

- \$1 million awarded catalyzing over \$2.4 million in private investment in FY22
- Funding also supports small business expansion program (Main Street Open 4 Business)
- Since 2002, Challenge Grant program leveraged over \$64 million in private investment

Contact: Michael Wagler at michael.wagler@iowaeda.com or 515.348.6184

■ Community Catalyst

- More than 40% to communities less than 1,500
- Over 135 awarded projects in four fiscal years
- In four short years program has leveraged over \$45 million in local match

Contact: Jim Thompson at jim.thompson@iowaeda.com or 515.348.6183



The Forge, Jefferson

Catalyzing Growth

- Historic Preservation Tax Credits
 - \$45 million in tax credits allocated
 - Encourages the sensitive rehabilitation/redevelopment and reuse of historic structures
 - Rehabilitation of a variety of buildings, varying in size, style and type
 - underused or vacant schools
 - warehouses
 - factories
 - retail stores
 - hotels
 - houses, apartments, residences
 - offices
 - other buildings have been returned to useful life in a manner that maintains their historic character

Contact: Nichole Hansen at nichole.hansen@iowaeda.com or 515.348.6215



The Warrior Hotel, Sioux City

ENERGY



Carbon Sequestration Task Force Recommendations

Vision: Iowa will be the leading state for creating carbon value through agricultural stewardship and energy generation

- Fertilizer Management – focus on optimization of nitrogen management
- Develop policy to support the biofuels legislation to further low carbon usage of renewable fuels to expand beyond existing markets (e.g., aviation fuels)
- Carbon Ignition Fund - Initiate various funding and incentive strategies to successfully add carbon value (i.e., demonstration grants) and add value to carbon markets to spur seller/buyer participation
- Create the Carbon Initiative at ISU's Bioeconomy Institute to position Iowa as a leading state in carbon value research
- Low-Carbon Energy Generation and Flexible Rates - Support policies and regulations to advance incremental investments and innovation in Iowa's energy economy
- Propose legislation that enables a rate-regulated public utility the authority to create flexible ratemaking mechanisms outside of the traditional rate case context to respond quickly to meet businesses' demands / goals of net-zero carbon emissions

Iowa Energy Center

- Managed by IEDA since 2017
- 13-seat, Governor-appointed board (Academia; Government; and Utility board representatives)
- Mission to support projects / programs that align with the Iowa Energy Plan
- IEC provides financial assistance via a competitive grant program and revolving loan fund
 - Financial support provided to a diverse mix of energy resources / technologies and stakeholders like academic institutions, businesses, nonprofits and utilities
- Quarterly board meetings held (open to the public)
- IEC led by IEDA sunsets July 1, 2022

Contact: Brian Selinger at brian.selinger@iowaeda.com or 515.348.6220

Legislative Request

- Repeal the Iowa Energy Center Board sunset date of July 1, 2022 and extend to July 1, 2027. The IEC has available financial resources, a talented staff, a collaborative board, and can support additional impactful projects if the sunset date is extended.

An aerial photograph of a busy port terminal, showing rows of stacked shipping containers and several large gantry cranes. The image is partially obscured by a large, semi-transparent red circle that frames the central text. The background is a faded, high-angle view of the same port area.

UNCERTAINTY AND THE ECONOMY

**CONSUMER PRICE INFLATION
ROSE 7% IN DECEMBER, THE HIGHEST
INCREASE IN 39 YEARS**

**IN 2021, ANNUAL INFLATION ROSE
TO ITS HIGHEST LEVEL SINCE 1990**

SOURCE: WASHINGTON POST

SOURCE: FEDERAL RESERVE BANK OF ST. LOUIS



“INFLATION IS OUTPACING INCREASES IN HOUSEHOLD INCOME AND WEIGHING HEAVILY ON CONSUMER CONFIDENCE, WHICH IS AT A DECADE LOW. **IT IS ONLY A MATTER OF TIME BEFORE IT IMPACTS CONSUMER SPENDING IN A MATERIAL WAY.**”

Greg McBride

Chief Financial Analyst
Bankrate

COMMODITIES

December 2020 - December 2021



INDUSTRIAL
NATURAL GAS



49%



MACHINERY
AND
EQUIPMENT



7.1%



STEEL MILL
PRODUCTS



127.2%

GOODS

December 2020 - December 2021



GASOLINE



49.6%



BACON



18.6%



HOTELS



27.6%



RENT



3.8%

Source: Bureau of Labor Statistics, Producers Price Index; Bureau of Labor Statistics, Consumer Price Index

IOWA RANKS #1 FOR LOWEST RISK
OF PANDEMIC-RELATED IMPACT
TO THE ECONOMY AND FOR
**HIGHEST RESILIENCY TO REPAIR
THE ECONOMY AFTER THE PANDEMIC**

SOURCE: THE COUNCIL ON STATE GOVERNMENTS AND KPMG

**IOWA RANKS #1 IN THE U.S.
FOR OPPORTUNITY**

SOURCE: U.S. NEWS & WORLD REPORT

**RECORD NUMBER OF NEW IOWA
BUSINESSES LAUNCHED IN 2021**

SOURCE: IOWA SECRETARY OF STATE



STATE COMPETITIVE INITIATIVES

IN DECEMBER 2019, IOWA HAD OVER
**60,000 JOB OPENINGS, AND JUST
49,100 UNEMPLOYED PEOPLE**
IN DECEMBER 2021, IOWA HAD
**63,000 JOB OPENINGS, AND JUST
57,900 UNEMPLOYED PEOPLE**

SOURCE: IOWA WORKFORCE DEVELOPMENT

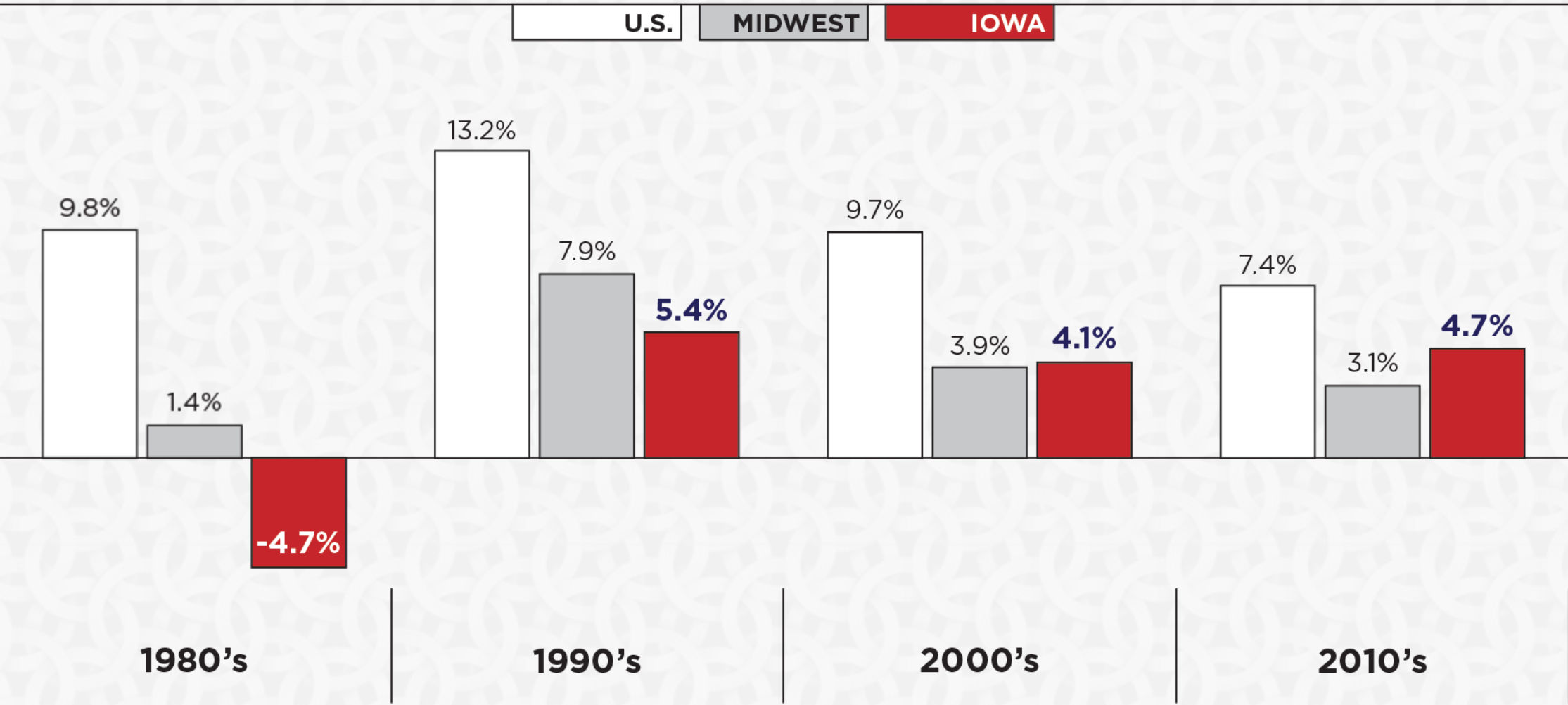
SOURCE: IOWA WORKFORCE DEVELOPMENT

IN NOVEMBER 2019, IOWA'S LABOR
FORCE PARTICIPATION RATE
PEAKED AT 70.4%

**IN DECEMBER 2021,
IOWA'S LABOR FORCE
PARTICIPATION RATE WAS 66.9%
RANKED 8TH OVERALL IN THE U.S.**

SOURCE: IOWA WORKFORCE DEVELOPMENT, FEDERAL RESERVE BANK OF ST. LOUIS

POPULATION GROWTH RATES, 1980 - 2020



Refocus Unemployment System

NEW – IWD Reemployment Case Management System

- Provides one-on-one career coaching at week one and will audit the recipient's work-search requirements on a weekly basis for those receiving unemployment benefits
- Proposal to reduce the length of unemployment benefits from 26 weeks to 16 weeks (exception for plant closings)
 - Must accept a job offer if it pays a certain percentage of their previous salary - lowering these thresholds would be a means of getting unemployed Iowans to work sooner

iowaworkforcedevelopment.com



Transformational Tax Reform

- **Iowa ranks 38th in Tax Climate by the Tax Foundation**
- **Pro-growth tax reform**
 - Top state income tax rate would be eliminated each year over the next four years until resting at 4% in 2026
 - Reduce the corporate tax to 5.5% - create an environment where businesses want to grow
 - Exempt net capital gains on sale of employee-awarded capital stock
 - Allow one lifetime election to exclude the net capital gains from one stock of one qualified corporate or ESOP from state income tax.
 - Qualified corporations must have done business in Iowa for a minimum of 10 years. Employee owners must have acquired capital stock while employed by the corporation for at least 10 years.
 - Under current law, 50% of net capital gains from an ESOP is allowed for deduction. The proposal would allow 100% of the net capital gains to be deducted.
 - Eliminate retirement income tax
- **Addresses the imperative that Iowa needs a competitive tax system**

MARKETING



A night photograph of a large, illuminated arch bridge over a river. The bridge's arch is a prominent feature, supported by a network of cables. In the background, several city buildings are lit up, including a tall building with a distinctive red top and another with a glowing dome. The river below reflects the lights from the bridge and the city. A semi-transparent dark blue banner is overlaid across the middle of the image, containing white text.

VISITOR & TALENT ATTRACTION PLAN

thisisiowa.com

Travel Is the First Step in Thinking About Moving to a New City

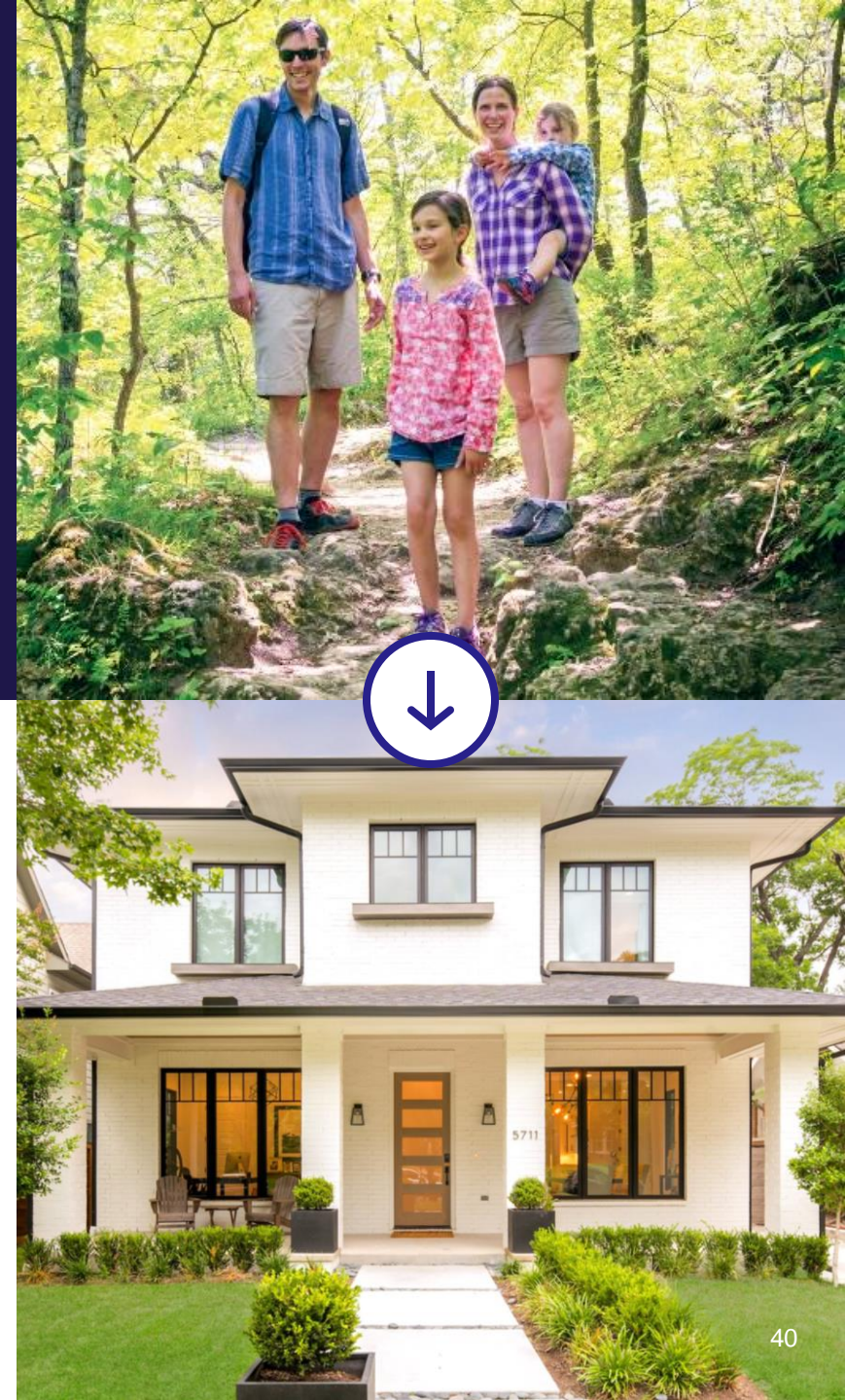
TRAVEL FEEDS WORKFORCE

64%

of U.S. adults seriously considered moving to a new place as a result of visiting.

“

If we can get them to our location, we have a much better sell. They have to see the place to be convinced.”



Tourism Marketing

- Tourism in Iowa generated \$1.5 billion in tax revenues in 2020
- Governor Reynolds has invested \$5.25 million in federal funds
- Tourism Industry Strategic Plan
 - Partnering with Coraggio Group to develop a five-year plan to further strengthen and grow Iowa's tourism economy
 - Plan will be unveiled at the Tourism Conference in April
- Marketing Initiatives
 - Year of the Road Trip campaign - targeting major metro drive markets
 - New website with a refreshed look and content - Summer 2022
- Sports Tourism Marketing
 - \$1.5 million appropriated by the legislature in 2021
 - Provide financial assistance for projects that market or promote professional, collegiate and amateur level sporting events in Iowa
 - Enhance Iowa Board began accepting applications on February 1

Contact: Amy Zeigler at amy.zeigler@iowaeda.com or 515.348.6259



- Iowa State Park Passport
 - Launched in June 2020
 - Currently 22,467 participants
- Iowa Scenic Byway Passport
 - Launched January 2021
 - Currently 6,839 participants
- Iowa Wine Passport
 - Launched February 2021
 - Currently 2,800+ participants
- Iowa Beer Passport
 - Launched May 2021
 - Currently 3,200+ participants
- Iowa Farm & Fun Passport
 - Launched in September 2021
 - Currently 565 participants
- Iowa Distillery Passport
 - Launched in November 2021
 - Currently 454 participants

traveliowa.com

Contact: Amy Zeigler at amy.zeigler@iowaeda.com or 515.348.6259

Digital Passports

IOWA DISTILLERY PASSPORT
The Iowa Distillery Passport is a fun way to support Iowa-owned distilleries, while receiving a curated collection of deals and discounts.
GET YOUR PASSPORT

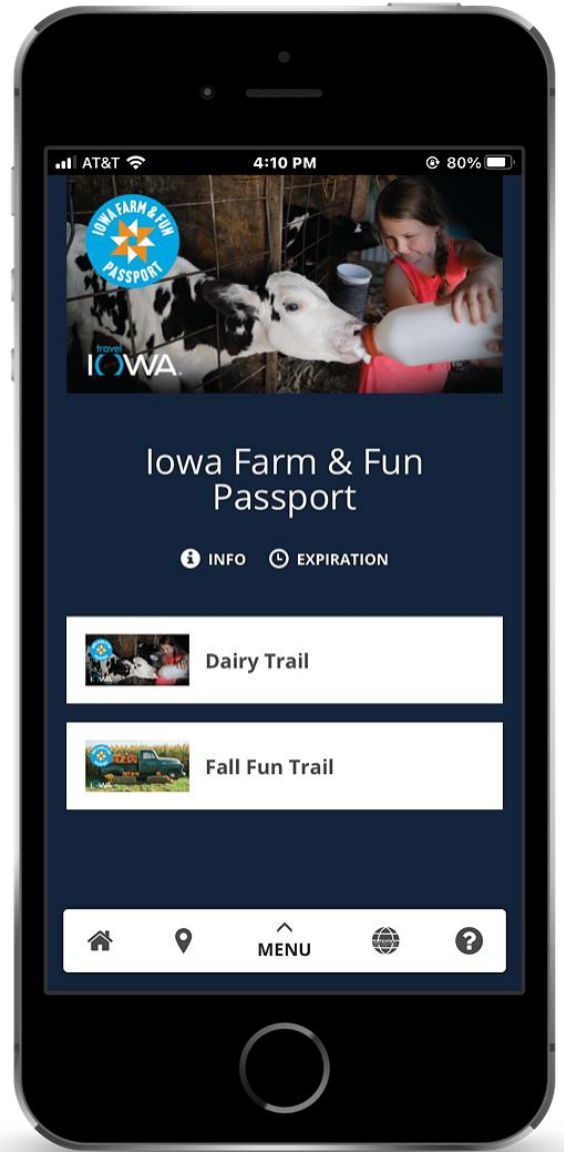
IOWA FARM & FUN PASSPORT
Taste Iowa cheese, ice cream and milk and visit apple orchards and pumpkin patches with deals and discounts!
GET YOUR PASSPORT

IOWA STATE PARK PASSPORT
Your passport to Iowa's outdoors. Track your progress as you visit Iowa's state parks.
GET YOUR PASSPORT

IOWA SCENIC BYWAY PASSPORT
Discover the beauty of Iowa's scenic byways and enter to win a monthly prize package.
GET YOUR PASSPORT

IOWA WINE PASSPORT
Check in at six Iowa wineries and earn your official Iowa Wine t-shirt!
GET YOUR PASSPORT

IOWA BEER PASSPORT
Check in at six Iowa breweries and earn your official Iowa Beer t-shirt!
GET YOUR PASSPORT



Consumers Are Open to Relocating



7 in 10

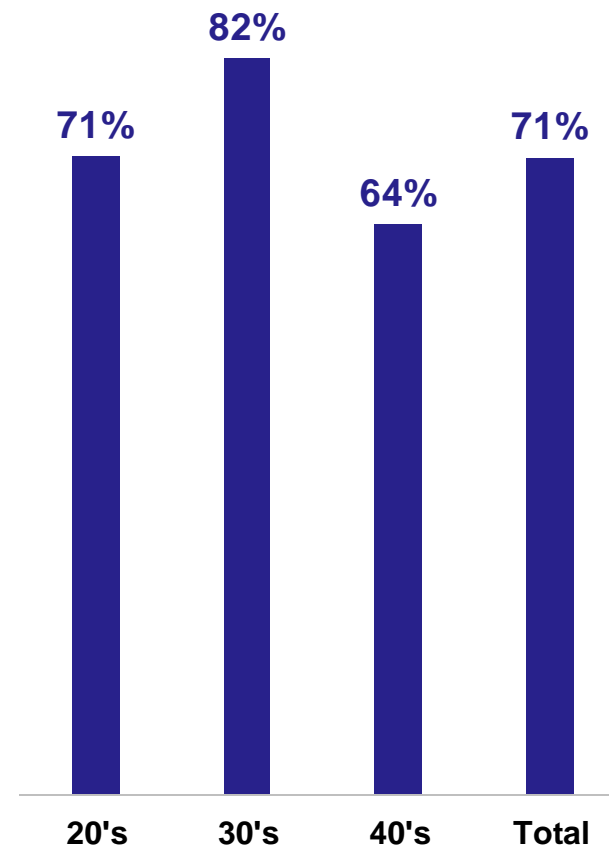
are likely to consider moving for the right opportunity.


Likelihood is highest among

30-somethings.

This is up since we last tested it.

Likelihood to consider moving for the right opportunity
Scale of 0 (not likely at all) to 10 (very likely)





“It was by the grace of God that everything worked out the way it did. We were very fortunate to have people rally around us and have an eatery in the community. Iowa nice is real and that’s a huge factor for why we chose to move out here.”

Ilee and Michael Muller
Grace on Main, Elk Horn

Read more Iowa Stories at thisisiowa.com/stories

THIS IS IOWA – A Secret Worth Sharing

Media Goal: Leverage broad reaching and targeted channels to effectively build awareness and drive consideration to visit, live or work in Iowa.

Campaign Plan:

National: Build mass awareness and reach with select premium National Cable networks to extend messaging with high visibility.

Regional: Focus on specific markets, targeting top DMAs within the surrounding states (MN, NE, MI, SD, WI) as well as states that extend further in the Midwest.

Digital: Focus on premium high impact online video, and CTV placements that provide integrated content and social extensions.

Paid Social: Connect with targeted key audience(s) using brand-owned creative assets that mirror best-in-class practices across social channels.

Influencers: Pitch influencers to highlight lifestyle and feature stories aligned with messaging pillars.

A Secret Worth Sharing Results



7,124 national and regional cable placements



155+ Million

impressions in just 7 weeks



Consumers exposed to campaign were

634% more likely

to engage on ThisIowa.com



335,711 minutes

spent viewing the ad on Facebook and Instagram

A whopping

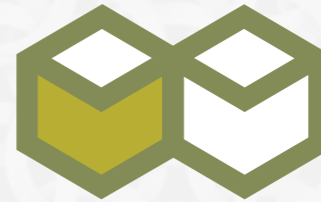


171% increase

in visits to ThisIowa.com
(versus same period in 2020)

FY 2023 Budget

Line Item	Governor's Recommendation	Net Change from FY 2022	Budget Bill
Operations/Marketing	\$13,318,553	Status Quo	Economic Development Budget Bill
World Food Prize	\$375,000	Status Quo	Economic Development Budget Bill & RIIF Bill
COG Assistance	\$275,000	Status Quo	Economic Development Budget Bill
ICVS	\$168,201	Status Quo	Economic Development Budget Bill
Tourism AGRs	\$900,000	Status Quo	Economic Development Budget Bill
Registered Apprenticeship Program	\$760,000	Status Quo	Economic Development Budget Bill (to be transferred to IWD)
Butchery Innovation and Revitalization	\$750,000	Status Quo	Economic Development Budget Bill
Regional Sports Authorities	\$500,000	Status Quo	Economic Development Budget Bill



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