

Economic Development Appropriations Subcommittee

March 6, 2002

UNI Institute for Decision Making - Program Update

Purpose: To provide hands-on economic development assistance to more than 440 community clients statewide.

Clients and Approach: Community clients range in size from only 200 up to Iowa's largest metro area. IDM currently maintains working relationships with 86% of our clients. We become long-term partners with local development groups to help them accomplish their goals. IDM's professional staff has extensive economic development experience and expertise. Each interaction with a community client is carefully tailored to meet the individual needs of that specific community.

Primary Services

- **Visioning and Strategic Planning** – preparing a 5-10 year future vision and plan for the community by engaging all aspects of community life.
- **Short-term Economic Development Planning** – 12-24 month plan outlining specific actions that will be taken by the local development organization.
- **Community Marketing** – assisting local efforts to enhance the community product, create an appropriate set of strategies, and implement the marketing plan, including the identification of prospects.
- **Applied Research** – combines the resources of staff, faculty, and students to purpose various in-depth research projects of statewide interest. Some research examples include speculative buildings, laborsheds, the role of railroads in economic development, and industry clusters in Iowa.
- **Geographic Information Systems (GIS)** – this service enables data to be geographically represented to better comprehend its impacts – for example the impact that drive times and distances have on a community's market area.
- **Target Industry Analysis** – specific industries are identified that have locational needs that match the assets of a community or region. IDM assists local developers by linking the targeted industries to the state's three primary industry clusters and providing one-page profiles on each targeted industrial sector.
- **Organizational Development and Assessment** – to maximize a community's resources, local and regional organizations need to coordinate their efforts and avoid duplication or conflicting missions. IDM has extensive experience with recommending organizational responsibilities and effective personnel selection.
- **Heartland Economic Development Course** – IDM administers this course, which is designed to serve the training needs of both economic development practitioners and volunteers.
- **Economic Impact Analysis** – estimates the economic impact of local development projects on the region and is helpful in decision making related to the amount of public assistance offered.

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Special Initiatives and Benefits

- **Laborsheds** – IDM developed the laborshed concept and successfully transferred the methodology to Iowa Workforce Development.
- **Economic Impact Services** – provided for community-based projects and IDED to assist in determining the appropriate investment of local and state incentives. A new partner group of utility companies has been formed to expand this service.
- **Speculative Building Manual** (in partnership with Professional Developers of Iowa) – provides practical step-by-step advice to local development groups considering the construction of spec buildings.
- **Economic Development Survey** (every 2 years) – provides comparative data for local development groups relating to organizational and operational issues.
- **Iowa Communities On-line Network (ICON)** – IDED's statewide database of community data. IDM populated the data fields for communities and this database provides an on-line presence for Iowa communities.
- **Economic Development Project Database** – searchable database of economic development projects in Iowa for the past three years.
- **Cluster Projects and Industry Research** – helps local development groups apply the SRI Cluster Analysis results at the local level. IDM also prepares profiles for specific industries within the clusters and their site location factors.
- **Rapid Response Manual** – joint project with IDED, Iowa Workforce Development, Alliant Energy, MidAmerican Energy, the Iowa Area Development Group, the Wisconsin Economic Development Institute and the Wisconsin Department of Commerce with its primary purpose to respond to plant closings and layoffs and identify the potential warning signs to avoid plant closures.

Performance Measures

- Tracking growth in the number of new clients and increases in the number of projects with existing clients (highest growth since early 1990s).
- Tracking the percentage of ongoing relationships with IDM clients (currently 86% percent of clients maintain a relationship with IDM)
- Obtaining Testimonials – client follow up to determine satisfaction and to assist in implementation.
- Professional Developers of Iowa Survey – Program Evaluation (92% rated as beneficial through the survey of economic development assistance programs)
- Advisory Council Input and Review – 21-member group that helps evaluate IDM programs and identify needs in Iowa. Advisory Council members represent local economic developers, utility companies, community colleges, private enterprise, ISU Extension, IDED, legislators, and Congressional staff members.
- Tracking Client Activity by Service (quarterly updates).
- Semi-annual Strategic Plan Updates outlining specific expected outcomes.
- Tracking Job Creation/Retention (from client input – specific examples are included on page 3).

Current IDM State Funding for FY02 (without most recent cuts) \$736,075

How does the Institute for Decision Making assist with job growth in Iowa?

Laborshed Studies

Target Corporation's final decision to locate its distribution facility in Cedar Falls was based primarily on the area's labor characteristics and availability as outlined in the Cedar Valley laborshed study

Pella Corp. was considering other states for its latest expansion due to the perceived tight labor market in Iowa. IDM's laborshed study for Sioux Center estimated that enough skilled labor was available in the Sioux Center area to meet the needs of Pella Corp. The company did locate in Sioux Center and reports that the laborshed study was accurate and they are pleased with this expansion into Northwest Iowa. Pella Corp's expansions at its headquarter facilities in Pella followed a similar path.

Industrial Targeting – Cluster Study

IDM conducts 8-10 target industry studies each year to assist local development groups proactively target specific companies for recruitment. One current project is with the Cedar Rapids – Iowa City Corridor. IDM used the cluster study conducted in the Corridor to narrow the target list of viable industries to recruit. Specific names were provided to the local development staff and contacts were made in their recent sales trip to California. Priority One and Iowa City Area Development staff members are very pleased with the trip and developed some viable company leads in their first trip. Sales trips to other cities are planned for the next several months using IDM generated contacts

Industrial Parks and Speculative Buildings

West Union was able to attract at least three companies after developing an industrial park and speculative building with the assistance of IDM. Local leaders credit IDM with assisting local development officials in preparing the marketing program and financial assistance packages to secure the projects.

ICON – Iowa Communities On-line Network

Even though the statewide database of community data is just being completed, we have already had feedback on one project. A national site consultant recently reported that an Iowa community made the final cut for a major project based on the thoroughness and quality of on-line data (this community was one of the ICON community pilots).

Economic Impact Analyses

IDM assists local and state jurisdictions determine the economic impact of projects and the potential return on investment. Projects requesting local or state assistance are provided with an economic impact analysis to assist in their decision making. The reports also outline potential benefits to other industrial sectors in the local economy.

Economic Development Planning and Technical Assistance

Job creation happens at the local level. Without planning and technical assistance provided to local development corporations to assist with business retention, expansion and recruitment programs, these organizations would struggle with focus and direction. IDM's success is tied directly to the success of local development groups.