The Iowa Department of Economic Development Overview

Presentation to: Joint Economic Development Appropriations Committee

Jan. 23, 2007



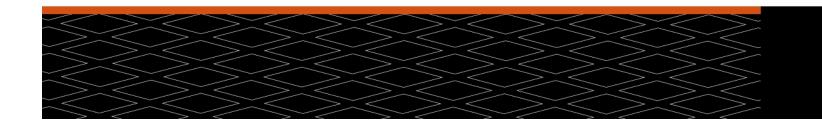


### Today's Presenters

- Mike Tramontina, Interim Director
- Tina Hoffman, Deputy Director
- Mike Miller, Team Leader, Investment Mgmt.
- Nancy Landess, Manager, Iowa Tourism Office
- Thom Guzman, Manager, Main Street Iowa
- Jeff Rossate, Division Admin., Business Development
- Kay Snyder, Manager, Iowa Careers Consortium
- Karen Merrick, Coordinator, Biosciences Industry Group

|changing®

• Terry Roberson, Division Admin., Administration



### The Iowa Department of Economic Development

- **Mission:** To engender and promote economic development policies and practices which stimulate and sustain lowa's economic growth and climate and that integrate efforts across public and private sectors.
- **Vision:** All lowans enjoying a vibrant economy.



#### **Department Overview**

- Created in 1986
- 22-Member Board of Directors (15 voting)
- 3 Divisions
- 133 staff members
- \$139 million Budget (\$41M federal)
- Unified branding: IOWA *life*|changing



### **Community Development Division**

- CDBG (Water/Sewer & Public Facilities)
- Investment Management
- Housing Enterprise Zones
- Iowa Downtown Resource Center
- City Development Board
- Iowa Commission on Volunteer Services
- Housing Funds
- Endow Iowa/County Endowment Fund
- Iowa Tourism Office
- Vision Iowa and Community Attractions and Tourism





# Community Development – Goals and Objectives

 The Community Development Division strives to continually develop the economic well-being and quality of life of lowans by:

changing®

- Providing financial assistance
- Providing technical assistance
- Providing training



# Community Development – Investment Management

- Contract processing
- Maintenance of Federal and State databases
- Closeout, audit and final acceptance of project results
- Long-term compliance
- Operate Housing Enterprise Zone and Endow Iowa programs
- Process all requests for payment





# Community Development – Housing Enterprise Zones

- Tax credits for Housing projects in Enterprise Zones
- In FY2006, 72 projects were approved providing 1,445 housing units



Community Development – Technical Assistance and Special Projects

- Entrepreneurial Services
- Endow Iowa
- Getting to Know IDED





#### Community Development –

### **City Development Board**

- City Boundary Changes
- Providing information to local governments, property owners and the media
- Maintaining records on all city development actions
- Addressing islands of unincorporated land and unincorporated secondary roads adjacent to city boundaries
- 5-member board



### Community Development – Iowa Commission on Volunteer Service

- Promotion, support and recognition of volunteerism in lowa
- Youth development/lowa's Promise
- Grants for youth service projects
- AmeriCorps state grants
- Training for AmeriCorps and volunteer management
- 25-member board of commissioners





### Community Development – Community Development Block Grant (CDBG)

- Water/Sewer Fund
- Community Facilities and Services Fund
- Imminent Threat/Special Opportunities
- Career Link





#### Community Development – Housing Fund

Activities:

- Rental housing (both new construction and rehab)
- Owner-occupied housing rehab
- Homeownership assistance
- Tenant-based rental assistance
- Annual applications for approx. \$17 million
- Primarily benefiting low- and moderateincome persons



# Community Development – Homeless Assistance

- Shelter rehab/renovation
- Staff salaries
- Operating expenses
- Homelessness prevention
- In partnership with the Iowa Finance Authority and the Iowa Council on Homelessness





### Community Development – Endow Iowa/ County Endowment Fund

- Endow Iowa tax credits to individuals donating to Qualified Community Foundations
- County Endowment Fund provides approx.
   \$5.8 million distributed to 85 community foundations and their affiliate organizations



# Community Development – **Iowa Tourism Office**

- Advertising and Publications
- Research and Education
- Industry Communication and Partnerships

e | changing®

Iowa Film Office



# Community Development – Vision Iowa/CAT

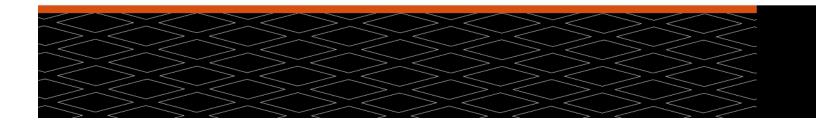
- Created to help foster large and small community recreation and attraction projects
- 262 projects funded totaling nearly \$1.5 billion with \$290 million awarded
- Vision Iowa/CAT has touched 191 Iowa communities and 90 Iowa counties
- 13-member Board of Directors



#### Community Development –

### Iowa Downtown Resource Center

- Fee-based services for cities not in Main Street Iowa:
  - Training, Downtown Assessment Visits, Specific Technical Assistance, Advertising and Publications
- Main Street Iowa
  - Comprehensive Technical Assistance for Selected Communities
    - Organizational development
    - Marketing and promotion
    - · Business assistance and development
    - Design assistance
  - 35 Active programs
  - 7 National award-winning communities





### **Business Development Division**

- Market Iowa (Domestic/International)
- Project Management
- Research
- International Trade
- Iowa Careers Consortium
- Business Assistance
- Financial Assistance





# Business Development – **Division Goals & Objectives**

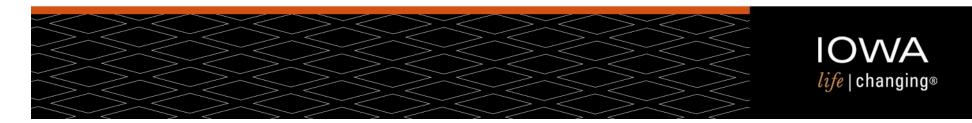
- Support and work to achieve the vision of the Governor and Director to transform lowa's economy
- Increased collaboration with local economic development professionals. Adhere to legislative mandates
- Higher levels of efficiency and customer service to internal and external clients – Kaizen process improvements underway.





## Business Development – **Project Management**

- Expansions, retention, new locations
- Responsible for client service, prospect generation (marketing) and communications
- Communication liaison for communities and other lowa governmental agencies
- Clearinghouse for industry data, contacts and policy updates



#### Business Development – Foreign Direct Investment

Represents a growing segment of our prospects and projects (almost 1/3<sup>rd</sup>)

Foreign direct investment is steadily increasing

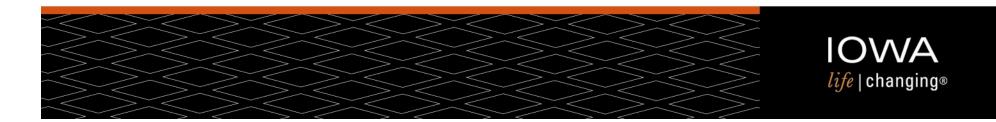
| FY | <i>'</i> 00    | FY | <i>'</i> 02 | FY | '06        |
|----|----------------|----|-------------|----|------------|
| _  | \$64.6 million | _  | \$112.7     | _  | \$211.5    |
| _  | 872 FTE's      |    | million     |    | million    |
| _  | \$13.05/hr     | —  | 1,398 FTE's | _  | 923 FTE's  |
|    |                | _  | \$14.83/hr  | —  | \$20.47/hr |

- Strongest target countries: Denmark, Germany, Japan, Italy, France, Netherlands
- Foreign direct investment/ownership directly employs over 36,000 lowans, with over 54% in manufacturing



# Business Development – **Iowa's Competition**

- Project Specific
- Becoming geographically diverse
- Currently includes:
  - Illinois, Nebraska, Minnesota,
     Wisconsin, South Dakota, Indiana,
     Missouri, Ohio, North Carolina, Texas
  - Singapore, Canada, United Kingdom, China and Mexico.



# Business Development – International Trade

- Strengthen Iowa's presence in the international marketplace by promoting Iowa and Iowa products and services
- Foreign offices and representatives
  - Germany, Japan, Mexico
- Educate Iowa business people on topics related to exporting and doing business in other countries
- Attract foreign investment into the state



#### Business Development –

### **Business Assistance Team**

- Regulatory Assistance
- Small Business Air Quality Liaison
- Immigration Business Assistance
- Business License Information Center
- Recycling Industry Development
- Iowa Waste Exchange
- Brownfield Redevelopment





#### Business Development – Business Finance Programs

- Iowa Values Fund
- Enterprise Zones
- Economic Development Set-Aside
- Community Economic Betterment Account – CEBA Modernization

changing®

- Targeted Small Business Program
- Value Added Ag Financing
- Workforce Training Assistance





#### Business Development – The Iowa Values Fund

- Move and Grow Iowa's economy
- Create Jobs
- Help generate wealth for lowans
- \$500 million cash commitment
  - \$50 for each of 10 years
  - \$21.6 million per year tax credit commitment

changing®



# Business Development – **Iowa Values Fund Allocations**

- Business Assistance and Marketing \$33 million
  - Funding will be utilized for current programs administered by IDED with a focus on:
    - Business Start-ups
    - Business Expansions
- Business Retention

|changing®

- Marketing
- Business Attraction



# Business Development – **Iowa Values Fund Allocations**

- Regents Funding \$5 million
- Community College Job Training \$7 million
- Renewable Fuels Infrastructure Program \$2 million
- Regional Assistance \$1 million
- Cultural Trust Fund \$1 million
- State Parks \$1 million



changing®

#### Business Development – Iowa Values Fund Tax Credits

- New Jobs Tax Credit (administered by DRF)
- High Quality Job Creation Act
- Historic Tax Credits \$4 million
- Regional Tax Credits \$2 million
- Endow Iowa Tax Credits \$2 million



### Business Development – Tax Credit Programs

- Enterprise Zone Program
- High Quality Jobs Creation Program (IVF)





### Business Development – **Direct Assistance Programs**

- Economic Development Set-Aside (Federal) EDSA
- Community Economic Betterment Account CEBA
- CEBA Modernization
- Entrepreneurial Ventures Assistance EVA
- Value-Added Agricultural Products and Processes Financial Assistance Program – VAAPFAP
- Targeted Small Business Assistance TSB





#### Business Development – Workforce Training Programs

- Industrial New Jobs Training Program 260E
- Iowa Jobs Training Program 260F
- Accelerated Career Education Program – ACE (260G)





# Business Development – **Iowa Careers Consortium (ICC)**

- Statewide Public/Private Partnership
- 20-member advisory board
- Integrated marketing program with <u>www.SmartCareerMove.com</u> as the call to action
- Position lowa as a state with progressive businesses offering career choices, a great lifestyle and to attract qualified, skilled workers



#### Business Development – The Targeted Industries (Batelle Studies)

- Biosciences, Advanced Manufacturing, Information Solutions (Technology)
- Raise profile of industries in Iowa
- Grow new firms through commercialization of university-based and industry R & D
- Support efforts to assist existing companies
  - Ensure competitiveness
  - Retain and expand lowa-based employment
  - Maximize ability to reach economic potential





### Business Development – **Iowa's Successes**

- Since July 2003 and through Dec. 2006, the Iowa Values Fund and other IDED programs have:
  - Assisted 402 projects
  - Created and Retained 31,439 jobs at an average annual wage of \$39,686 (incented)
  - Resulted in \$8.06 billion of capital investment

changing®



#### Business Development – Projects/Leads Summary

- Total Projects & Leads: 430
- Cap Investment: \$7.83 billion
- New Job Potential: 17,526
- Retained Job Potential: 6,523
- Project/Lead Distribution 42% are projects and 58% are leads



### Business Development – 6/30/06 Project Status Report

- 96% of capital investment in place
- 72% of jobs have been realized
- Average wage of jobs in place is \$39,000

   more than 20 percent higher than lowa's per capita personal income
- 89% of projects are on schedule or completed

