



EMPOWERED BY THE FUTURE

Cedar Rapids Strategic Action Plan

Comprehensive Economic
Development Strategy Phase IV

August 4, 2014

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PREFACE

A successful economic development plan should be a living strategy, a set of goals set by community leaders with their sights fixed on the future. The plan should leverage community assets and work to resolve issues that could impede future economic development. It must respond and adapt as the community grows and new opportunities appear on the horizon. Each year, the plan should be reassessed, goals and strategies updated and the plan's term extended.

In the same sense, no economic development strategic plan is an island. No attempt to navigate the economic environment, no matter how well-devised, can be successful without input and support from community stakeholders. It is a great asset to the City that Cedar Rapids stakeholders, both business leaders and residents, are willing to step forward with ideas and assistance. The following strategic plan was developed with insight from a vast array of Cedar Rapids residents, business leaders, real estate development companies, economic development organizations, educational and medical institutions, the media, airport representatives, area utilities and other community groups.

In November 2013, AngelouEconomics conducted site visits to Cedar Rapids, interviewing more than 100 stakeholders during private conferences and discussion groups. In January, online surveys were launched, engaging the full community in the economic development process and eliciting responses and additional input from 1,484 local residents and 136 area businesses. In March, 10 leading international site selectors were surveyed to determine their perception of Cedar Rapids as a possible location for client industries.

AE would like to acknowledge and thank Cedar Rapids City Manager Jeff Pomeranz, Assistant City Manager – Development Services Sandi Fowler, Cedar Rapids Economic Development Liaison Jasmine Almoayed, and Assistant Director – Community Development Department Jennifer Pratt. Those dedicated city staff members contributed to the project over and beyond expectations. Their vision and direction drove the City's development of its first economic development strategic plan.

We express our special gratitude to the members of the Cedar Rapids Metro Economic Alliance for their assistance in understanding the important factors and forces at play in the regional Cedar Rapids market. The organization acts as a significant economic development arm of the community. We also wish to thank the tireless members of the Cedar Rapids Economic Development Strategic Plan Steering Committee for their insight, feedback and direction in the development of the plan.



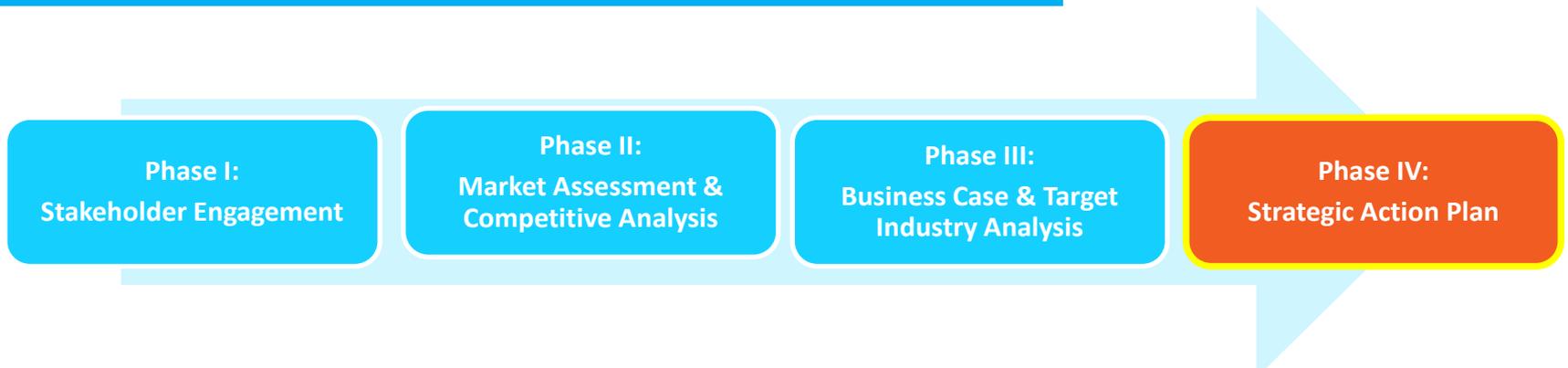
The Cedar River

Cedar Rapids Strategic Plan Steering Committee

- Tom Aller, President, Alliant Energy
- Dee Baird, President, Cedar Rapids Metro Economic Alliance
- Tim Bradshaw- Executive Director, Eastern Iowa Airport
- Steve Gray—Entrepreneur
- Kim Johnson, VP Continuing Education and Training, Kirkwood College
- Nancy Kasperek, Regional President, US Bank
- Kathryn Kunert-- Vice President, MidAmerican Energy
- Lon Olejniczak: Senior Vice President, Transamerica
- Daniel Reed, VP ED and Research, the University of Iowa
- Mick Starcevich—President, Kirkwood Community College
- Todd Bergen: VP Development & Community Services, Transamerica
- Eric Engelmann: President and CEO Geonetric, Inc
- Chad Simmons: Executive Director Diversity Focus
- Curt Nelson: President and CEO Entrepreneurial Development Center, Inc.
- Tom Hobson: Principle Manager Government & Public Affairs, Rockwell Collins
- Cindy Dietz: Director Corporate Communications, Rockwell Collins
- Pat Baird: President/CEO Aegon USA
- Dave Benson: Superintendent Cedar Rapids Community School District
- Mary Meisterling: Project Manager Alliant Energy

“Never doubt that a small group of thoughtful, concerned citizens can change the world. Indeed it is the only thing that ever has.” —Margaret Mead

PROJECT SCOPE



This Strategic Recommendations report is the fourth and final phase of an economic development strategic plan project for Cedar Rapids, Iowa. The goal of the strategic plan is to ensure the future economic prosperity and diversity of Cedar Rapids and to continue to build upon the exemplary quality of life the City offers its residents and businesses.

Through an in-depth market analysis of the City, its regional area and its benchmarks and a careful examination of the clustering of current industries in the area, AngelouEconomics has worked with key stakeholders in Cedar Rapids to construct a roadmap to future economic success. The purpose of this and two previous reports, the Market Analysis and the Business Case Analysis and Target Industries Report, is to provide a valid understanding of the present economic situation and to identify the primary challenges and opportunities that are impacting or could impact the local economy in order to forge a new economic development strategy for the City.

EXECUTIVE SUMMARY

ABOUT CEDAR RAPIDS

Cedar Rapids is a vibrant Iowa community with a growing population now estimated at 130,000. The City is rebounding dramatically from the devastation of the flooding of the Cedar River six years ago, which destroyed a significant portion of its infrastructure.

Perhaps the hardest hit by the history-making 2008 Iowa floods, Cedar Rapids was drowned by the Cedar River, which runs through the heart of the City. Nearly 10 square miles and 1,300 blocks were covered in water, including many public buildings and substantially all of the downtown area. More than 5,000 homes were damaged or destroyed, and nearly 1,000 businesses were affected by the disaster. An estimated 7,000 jobs were lost as businesses suffered. Many small businesses were destroyed, and culturally rich areas such as Czech Village were damaged beyond the ability for complete restoration.

Cedar Rapids has proven to the world that, even after the worst of disasters, hard work, intelligent planning and an engaged community can bring about positive changes. The

success and speed with which Cedar Rapids is accomplishing its recovery has earned it a reputation for resilience and a positive “can do” attitude.

Strong Cedar Rapids industries produce strong employment opportunities. The City has strong leadership, a diverse, supportive business climate and visionary stakeholders who understand the importance of economic planning. It began as a tiny village of a few hundred people in the 1840s, and has grown into the second largest city in Iowa; largely due to the determination, business acumen and vision of its stakeholders.

Sporting a long history of industrial and technological innovation, Cedar Rapids has traditionally been known for its vast grain-related industries, strong Midwestern work ethic, exceptional public schools, well-educated population and the championing of family values. It is located relatively close to two world class universities, the University of Iowa in Iowa City 30 miles to the south, and Iowa State University in Ames, approximately 100 miles to the west.

The world’s perception of Iowa is changing, and Cedar Rapids is acting as a leader of that change. Traditional agricultural

and grain processing icons are making way for new industry ideas in financial services, information technology, biotechnology, and green energy production. With Iowa's population now predominantly urban, Cedar Rapids is heralding a new reputation for arts, culture, creativity and innovation. It is also the employment center for smaller surrounding towns. It has growing cultural diversity, and is home to the National Czech and Slovak Museum and the longest standing Muslim mosque in North America. Health-related corporations and local business leaders are moving forward with a plan to develop a sizeable wellness corridor north of downtown that will encompass Mercy Medical Center, Physicians' Clinic of Iowa and UnityPoint Health-St. Luke's Hospital.

As with all communities, Cedar Rapids faces issues that will need to be addressed in order to enjoy an optimal economy in the future. Employers report difficulty in attracting and maintaining all segments of the workforce. Downtown occupancy has not resurged to pre-flood levels, and much of the office space in older buildings is outdated and not conducive to modern, small business concepts. The downtown occupancy rate for office space is lower than it should be. Other areas of the City remain underperforming, in particular the Coe-Mt. Mercy, Centerpoint Road from 29th to 42nd Street and the C Avenue - Tower Terrace areas.

Cedar Rapids is not attracting or retaining Young Professionals in the 25-44 year old range, nor is it very successful in attracting new college graduates. The City lacks adequate multi-family housing options, entertainment options, social networks and cultural gathering areas and events to capture the interest of the younger population demographic.

MARKET ASSESSMENT

In surveys and interviews with Cedar Rapids stakeholders, three themes quickly become evident as opportunities for future economic development in the City:

- ***A focus on the retention and ability to attract Young Professional workers in the 25 – 44 year age bracket***

- ***A determination to address the development and attraction of a skilled workforce***

- ***A desire for Cedar Rapids to focus a wide array of economic development efforts and involvement with regional organizations through a well-devised city strategic plan***

The Cedar Rapids Market Assessment, delivered Feb. 25, 2014, examined the current Cedar Rapids market area in terms of four important economic factors: Quality of Life, Workforce and Education, Business Climate and Infrastructure. Research was conducted using available public data and AE research models. Some of that research was conducted at a city level, other was conducted at a regional level. Cedar Rapids market characteristics were compared to three benchmark communities selected by Cedar Rapids – Eau Claire, WI; Grand Rapids, MI; and Lincoln, NE. Cedar Rapids demographics were also compared to statewide statistics and those for the U.S. as a whole.

Following is a summary of Market Analysis findings as provided in the February report.

Quality of Life

Residents in Cedar Rapids benefit greatly from a high quality of life. Relatively low cost of living expenses and high income levels give them 10 percent more purchasing power than other Iowans and 13 percent more than the average U.S. resident. The City's growing population has a strong middle class presence with the highest median income of all benchmarks - \$50,000.

The good news is that Quality of Life in Cedar Rapids is exceptional. The local housing market is strong and home purchases generally provide good return on investment. Violent crime is low, and property crime is not significantly higher than that in benchmark areas. Poverty levels in Cedar Rapids are the lowest in all benchmark comparisons .

The exceptional quality of life in Cedar Rapids comes with a price tag, however. Residents in Iowa pay combined property taxes that are nearly double those reported for Eau Claire and Lincoln benchmarks. Both state and local taxes are high, including sales tax rates. However, taxes in Cedar Rapids compare favorably to other Iowa cities.

As is the case with other Midwestern states, Iowa in general is perceived as somewhat lacking in cultural and racial diversity. That lack of diversity makes it harder to attract a wide range of work populations and can lead to limited local cultural activities. Younger professionals are particularly disenfranchised by a lack of diversity. Survey responses indicate a desire for more organized entertainment and recreational activities in the community, particularly on weekends.

Workforce and Education

There are early indications of a shrinking work force in Cedar Rapids that is causing upward pressure on wages. The City's higher paid wages and strong wage growth is a factor for industries looking at the costs of doing

business in the area long term.

However, the average weekly wage of \$893, while significantly higher than benchmarks, is still considerably lower than the U.S. average of \$948. Higher wages and lower cost of living are important attractions in labor force recruitment.

With a median age of 35.1 years, Cedar Rapids has a slightly older workforce population than other benchmarks, but is still below the U.S. average of 35.9 years and Iowa's average of 37.2 years. Most residents, two-thirds in fact, work in Cedar Rapids. The City offers diverse employment opportunities, with more than half the workers divided between manufacturing jobs and employment in the areas of education, health and social services.

Cedar Rapids residents benefit greatly from the area's strong public schools and multiple nearby high-quality colleges and universities. A watchful eye should be kept on the level of higher- education degrees in the workforce, as the growth-rate of those degreed workers has slowed. An opportunity to bring the high school graduation rate up to state levels is also indicated. Survey results indicate that businesses and residents would value improved communication with the local school district and greater school district involvement in the City's strategic planning process.

Cedar Rapids businesses pay relatively high state and local taxes. The per-capita cost of government in the City is also higher than in Grand Rapids and Lincoln. The issue of high taxes may be significant enough to impact industry site location decisions and encourage existing businesses to investigate less costly locations. Any incentives or factors that act to reduce commercial taxes should be marketed strongly.

Cedar Rapids businesses are predominantly small in size. In fact, nine out of 10 employ less than 50 people and 40 percent employ four employees or less. During the last 10 years, Cedar Rapids has experienced a switch in business growth from construction, manufacturing and information industries to service establishments that include financial, professional, education and health and leisure categories. With more venture capital investment firms than any other benchmark and a large volume of patent activity, Cedar Rapids is ranked strong in entrepreneurial and start-up support.

Infrastructure

An established city, Cedar Rapids has a slightly older housing stock that mirrors that of Eau Claire and is comparable in age distribution to that of Iowa as a whole. The City's relatively high percentage of occupied housing is remarkable so soon after the flood, indicative of a healthy middle class and reflective of the area's family values, higher wages and somewhat older, stable population. The City lacks sufficient multi-family rental housing to attract new college graduates and Young Professionals.

Many downtown businesses were destroyed during the flood, and the area has not adequately recovered its vitality. While new infrastructure has resulted from flood recovery efforts, significant areas remain blighted by damage. Many buildings have unoccupied space available for lease. While studies show that there appears to be adequate downtown parking both during work and evening hours, the perception remains that downtown parking is a problem and that perception impacts visits to the downtown area.

Survey responses indicated significant support for developing the harbor and river area for tourism attraction. Residents indicated a need for the

City to help develop weekend attraction draws. There was significant interest voiced in further development of the Czech Village and New Bohemia areas, and possible pedestrian connections to downtown.



Cedar Rapids SWOT

Strengths

- Grain processing capital of the U.S.
- Diverse industries
- High quality of life
- High levels of innovation and venture capital
- Quality primary and secondary education
- Strong regional universities and colleges
- MedQuarter medical district alliance
- Developing destination zones – Czech Village, New Bo
- Access to raw agricultural materials
- New infrastructure
- Funding of Flood Mitigation

Weaknesses

- Lack of city-centric ED strategic plan
- Multiple disconnected regional ED organizations
- High local corporate tax climate
- Declining labor force
- Insufficient skilled workforce
- Downtown offices under-occupied
- Perception of inadequate downtown parking
- Unwelcoming to newcomers /social walls

Opportunities

- Continued development of business incubators and venture capital funding programs to support innovation
- Promotion of high quality of life and low cost of living to attract skilled labor
- Regional student population
- Flood recovery funding and improvements
- Second tier businesses
- Rockwell engineers
- Medical sector expansions
- Riverfront development
- Public transportation expansion, improvement

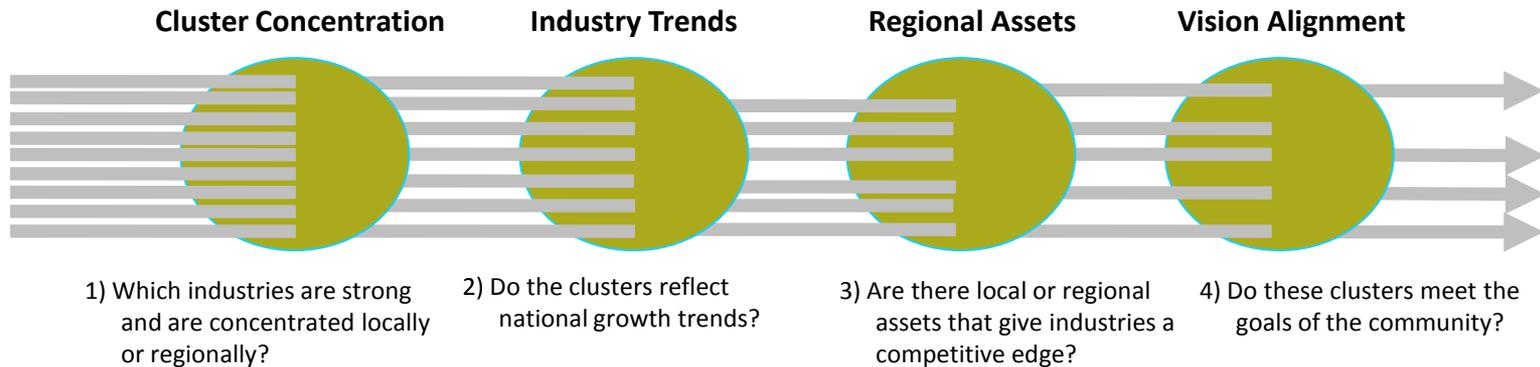
Threats

- Decline of labor force, young professionals, and employers
- Loss of major employer
- Social walls that could impact workforce retention
- Flood-related building/housing vacancies
- Challenging flood protection
- Multi-stop air transportation
- Newer urban areas with more modern infrastructure
- Downtown flood plain location
- State and city tax structures

BUSINESS CASE ANALYSIS

Target Industry Report: Following an in-depth examination of Cedar Rapids' industry cluster strengths, a business case analysis and the application of a set of filters, this assessment led to the selection and analysis of five industries on which Cedar Rapids should focus its initial economic development efforts.

TARGET INDUSTRY SELECTION PROCESS



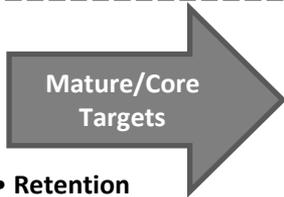
Cedar Rapids Selected Target Industries

- Life Sciences
- Logistics & Distribution
- Food Sciences & Processing
- Entrepreneurial Business Services
- Finance, Insurance & Real Estate

For each of these target industries, a number of “niches” were identified to allow for further concentration of efforts. The niches are generally 1) sub-sectors that offer particular value Cedar Rapids' economy, 2) are witnessing strong growth or notability in the national economy, or 3) are supported by the current economic clusters and assets of the county.

RECOMMENDED TARGET INDUSTRIES & NICHEs

Economic Development Activities:



- Retention
- Expansion

Life Sciences	Logistics & Distribution	Food Sciences & Processing	Entrepreneurial Business Services	Finance, Insurance & Real Estate
Health IT	Freight Trucking	Animal Oriented Food & Health Services	Accounting & Legal Services	Investment & Asset Management Services
Health Care Networks	Maintenance & Support Services	Food Processing & Organic Foods	Engineering / Architecture	



- Attraction
- Entrepreneurship and Small Business Development

Senior Care Services	Intermodal Transport Services	Agricultural Research & Development	Custom Computer Services	Actuary Science & Data Processing
Medical Devices		Food Safety		



- Expansion
- Attraction
- Entrepreneurship and Small Business Development

Biotechnology	Supply Chain Analytics / Services	Bio-Agriculture	Creative Design	E-Commerce
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RETAIL LEAKAGE

A retail leakage assessment explored the relationship between the retail sales of Cedar Rapids establishments (local supply) and the retail purchases of Cedar Rapids residents (local demand). To conduct this analysis, the supply and demand of more than 30 retail sectors were reviewed. When retail sales exceed resident purchases, it is considered a “retail surplus.” When resident purchases exceed the sales of local retail establishments it is called “retail leakage.”

While a retail leakage is present in some of Cedar Rapids’ individual retail sectors, overall the City has a net retail surplus of over \$550 million. This translates into a roughly 40% excess of local supply over local demand.

Cedar Rapids’ largest surpluses were found in the following sectors:

- Grocery Stores (\$295+ Million)
- General Merchandise Stores (\$135+ Million)
- Department Stores(\$73+ Million)

Cedar Rapids’ greatest retail leakages are occur in the following sectors:

- Automobile Dealerships (\$155+ Million)
- Electronic Shopping (\$30+ Million)
- Clothing Stores (\$8+ Million)

COMMERCIAL REAL ESTATE ANALYSIS

Commercial real estate markets in Cedar Rapids vary significantly in their current standing and outlook. Industrial space is in high demand, with only 3.9% currently vacant relative to approximately 8% nationally. Likewise, local retail space is also reporting lower vacancy than the national average, with 5.5% currently vacant compared to 8.6% nationally.

Cedar Rapids’ office market is less encouraging. While office space does have a higher vacancy rate nationally than industrial or retail space, Cedar Rapids’ 22.2% vacancy rate exceeds the national rate of 16.9%.

The higher office vacancy rate is not unexpected considering the flood and broader economic trends. Office space, much of which is located downtown by the river, was impacted more by the flood than other real estate sectors. Office space downtown is Class B and Class C, and is somewhat outdated.

Moreover, while retail space has been quick to be redeveloped and reoccupied, the same has not been true for office space. Lingering workforce retention issues, competition from nearby cities, and other location-centric problems have hindered the growth of professional, financial, and other services that typically occupy office space.

SHAPING THE FUTURE OF CEDAR RAPIDS

As recovery from the flood continues and the impact of the recession diminishes, Cedar Rapids looks to a bright new era of economic prosperity. City staff have already taken the first step in ensuring the future of Cedar Rapids by creating this initial strategic plan.

The City should consider redefining the larger Cedar Rapids market region to include Linn, Jones, Benton, Johnson and Washington counties. That change in regional boundaries will allow Cedar Rapids an important partnership with Iowa City and an opportunity for a broader regional partnership office.

Cedar Rapids is fortunate to have a strong regional Economic Development Organization with which to partner, the Cedar Rapids Metro Economic Alliance. This partnership allows Cedar Rapids to center attention on certain aspects of economic development, while the Alliance addresses others. **Cedar Rapids ED staff should focus on the retention and expansion of businesses in the City, on growing its workforce and on continuing to foster entrepreneurship. The City should work closely with the Metro Alliance in the attraction of target industries recommended within the course of this project.**

The Metro Alliance assumes the role of the powerful marketing and industry recruitment organization for the new region. The organization also functions as the economic development agency for areas outside the City of Cedar Rapids, including handling their business retention and expansion program. The Metro Alliance should organize strategy for regional entrepreneurial and workforce programs.

In order to implement the plan well, Cedar Rapids should consider creating a separate Economic Development Department with additional staff members. AE recommends three initial dedicated ED staff:

- **Director of Economic Development, who also handles Business Retention and Expansion and Workforce Development**
- **Entrepreneurship and Young Professionals Coordinator**
- **Research Manager**

The City should also consider contracting with a marketing or public relations firm to help create a powerful City brand and help carry out an effective marketing strategy.



Workers paint bicycle lanes green in Cedar Rapids

Source: *The Gazette*

STRATEGIC OBJECTIVES

Cedar Rapids is a vibrant city, rebounding dramatically from the natural disaster and a national economic recession. The City has strong leadership, supportive businesses and well-educated stakeholders who understand the importance of economic planning. Now is the time for Cedar Rapids to move forward to capture the future.

This comprehensive strategy is designed to assist the City in retaining and growing local businesses, attracting the right new industries and developing a strong, well-skilled workforce to support those new and expanded companies. This will allow Cedar Rapids to assume a powerfully competitive position in national and global markets.

Toward that end, Cedar Rapids' new economic development strategy will be organized around three broad objectives that can encompass needed changes:

- 1. Clarify the City's Role in Economic Development**
- 2. Grow and Diversify the Regional Workforce**
- 3. Grow and Diversify the Economy**

Strategic Objectives



A Uniquely Cedar Rapids Perspective

The world is a competitive place. Increasing globalization pits small and medium-sized cities in the U.S. against some of the largest competitors on the planet for the interest of successful industries. Working with regional partners for economic development is smart; it multiplies marketable assets, diminishes weaknesses and broadens the workforce base.

However, to be an effective regional player, Cedar Rapids needs to first and foremost understand the strengths, weaknesses and goals of the stakeholders it represents. As the employment center and largest city in the region, Cedar Rapids should be a strong partner with regional economic development organizations, helping to drive the broader objectives and marketing efforts. Regional EDOs should provide Cedar Rapids with leverage with which to achieve City goals, and Cedar Rapids should empower regional EDO efforts with the strength of its industries and its workforce.

Developing City-Centric Strategy

1. Expand the Cedar Rapids Economic Development Department
2. Be a Strong Regional Partner
3. Engage Universities as Partners
4. Brand and Market Cedar Rapids



McGrath Amphitheater

Determine
the City's
ED Role

Grow &
Diversify the
Economy

Grow the
Workforce

STRATEGY 1: EXPAND THE CEDAR RAPIDS ED DEPARTMENT

When operating with a plan of optimal division of labor, cities and larger regional organizations can accomplish amazing things. Cedar Rapids is fortunate to have a supportive regional organization already in place to address the larger market area. With that regional backing, the City is well positioned to begin directing economic development strategy within its boundaries and coordinating efforts with local businesses, educational institutions, the Metro Alliance and other organizations focused on developing a healthy economy.

Key Actions

- 1) Direct economic development within the City
- 2) Add staff
- 3) Join Economic Development Organizations

ECONOMIC DEVELOPMENT ORGANIZATIONS

Industrial Asset Management Council

Founded in 2002, the IAMC describes itself as “the leading association of industrial asset management and corporate real estate executives, their suppliers and service providers, and economic developers.” Membership in the IAMC provides access to the organization’s bi-annual meetings. These meetings provide high-quality education and networking opportunities in a low-key, professional environment.

<https://www.iamc.org/>

SelectUSA

Created by the Federal Government under the Department of Commerce, SelectUSA was created to showcase the United States as a prime location for business. To this end, SelectUSA provides both industry profiles and a searchable guide on Federal grants, loans, loan guarantees, and tax incentives. SelectUSA also provides Economic Organization Development Counseling to state, regional, and local organizations. This counseling includes best practices, outreach methods, and marketing strategies.

<http://selectusa.commerce.gov/>

STRATEGY 1: KEY STEPS DETAILED

1) Direct Local Economic Development Efforts: Cedar Rapids is best served by attending to the fundamentals of economic development within its boundaries. The City needs to operate its own business and retention program (See page 38). Already, Cedar Rapids is doing very well in the early stages of fostering entrepreneurial support with an accelerator, co-working space and training. Continuing to expand that support will be critical to building a healthy economy. (See page 42). Cedar Rapids should also command the development of a strong pipeline of well-skilled workers that live within the City through training and recruitment (See page 36).

- Establish a City Business Retention and Expansion Program
- Identify Additional Ways to Support Entrepreneurship
- Implement Workforce Development Strategies

2) Create Specialized Economic Development Staff: Small to medium sized cities seldom have the luxury of a budget that would support a full economic development staff. Careful decisions must be made on the division of duties between staff members who can collaboratively cover all the City's strategic objectives.

3) Join Economic Professional Development Organizations: Cedar Rapids should also actively participate in the broader economic development community by joining organizations, such as the International Economic Development Council (IEDC), the Industrial Asset Management Council (IAMC) and SelectUSA. Staff members should also participate in continuous professional training as offered by IEDC and other organizations.

SUGGESTED STAFFING

Position	Wages
Director (BRE, Workforce)	\$ 90,000 – 100,000
Entrepreneurship and Young Professionals Coordinator	\$ 90,000 – 100,000
Research Manager	\$ 55,000 – 60,000

ADDITIONAL FUNDING

Need	Cost
Marketing/Public Relations	\$ 75,000/Year
Collateral Materials	\$ 50,000/Year
Staff Training, Database Subscriptions, Membership Fees, Magazine Subscriptions, BRE Software	\$ 30,000/Year

ESTIMATED BUDGET

Up to \$415,000

STRATEGY 2: BE A STRONG REGIONAL PARTNER

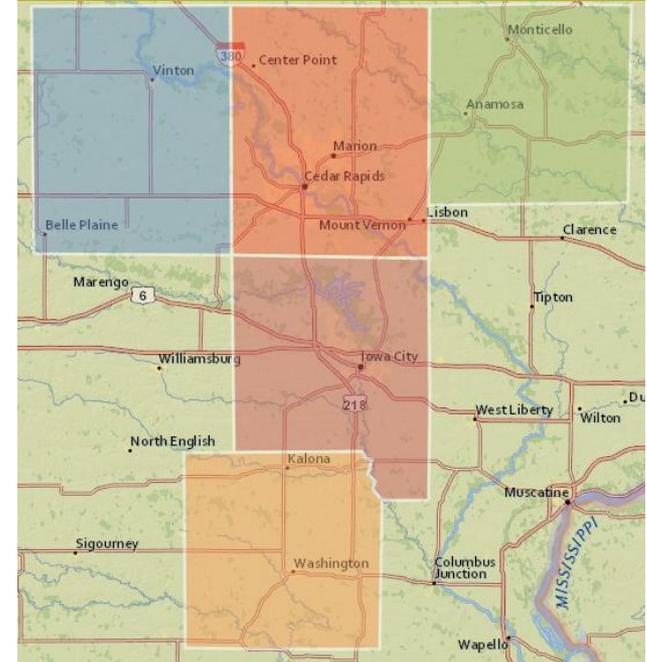
Cedar Rapids benefits from a plethora of regional organizations dedicated to strengthening economic development in the area in different ways. The Cedar Rapids Metro Economic Alliance coordinates and promotes the larger market area. The Iowa Creative Corridor fosters creativity and innovation in the workforce. The City also helps fund several organizations that promote urban neighborhoods and support entrepreneurs and small businesses.

As Cedar Rapids considers ways in which it can act as a strong regional partner, a first step will be to take a second look at how it defines the larger market region. Establishing rules for how the organizations will work together and determining ways to evaluate the benefits and costs of alliances is also recommended.

Key Actions

- 1) Update the Definition of Regional Territory
- 2) Form an Alliance with Iowa City
- 2) Implement Rules of Engagement Agreement
- 3) Establish Performance Metrics and Reporting Requirements for EDOs

FIVE COUNTY REGIONAL MSA



Source: National Geographic, Esri, DeLorme, HERE, UNEP-WCMC, USGS, NASA, ESA, METI, NRCAN, GEBCO, NOAA, increment P Corp. Map image is the intellectual property of Esri and is used herein under license. Copyright © 2014 Esri and its licensors. All rights reserved.

STRATEGY 2: KEY STEPS DETAILED

1) Consider Updating the Definition of Regional Territory: Cedar Rapids region is currently defined by the counties served by Kirkwood Community College. Economic development is a living, fluid concept, and the boundaries of the region should be reviewed on a periodic basis to determine how well the definition of the region serves the area. We recommend that Cedar Rapids review the current regional definition with its partners and revise it to be defined as a five county area: Linn, Jones, Benton, Johnson and Washington.

- **Establish new geographical boundaries of the region**

2) Cedar Rapids and Iowa City Should Form An Alliance

3) Implement Rules of Engagement Agreement: Just as good fences make for good neighbors, a Code of Ethics or Anti-Poaching agreement between economic development partners can lead to more productive collaborative efforts and a stronger region. Cedar Rapids and Marion have an anti-poaching agreement in place, and Cedar Rapids is in the process of developing an agreement for use in other areas.

Regional cooperation agreements are certainly not generic, but there are important aspects common to most agreements. Anti-poaching language should be combined with BRE agreement language, and the term of the agreement should outlast individual office holders and politicians.

- **Create an Anti-Poaching Agreement**
- **Secure Signatures and Buy-In from Regional Partners**

BEST PRACTICE

Metro Denver Economic Development Corporation Code of Ethics Agreement – Denver, CO

MDEDC requires all members to sign a Code of Ethics that outlines rules to prevent unhealthy competition between communities. The code has been in effect since 1987 and is rigorously enforced by the organization. A violation of the agreement is considered the single most serious breach of membership. MDEDC reports tremendous success with companies and site selectors that appreciate having a single point of contact and a unified message.

For more information:

<http://www.metrodenver.org/>

Cuyahoga County Dept. of Regional Collaboration Anti-Poaching Protocol – Cuyahoga County, OH

Currently 54 of 59 communities in Cuyahoga County have signed an anti-poaching agreement pledging commitment to the regional community backed by a \$100 million economic development fund. The county has a “one-stop shop” for businesses considering relocation there.

For more information:

<http://regionalcollaboration.cuyahogacounty.us/>

STRATEGY 2: KEY STEPS DETAILED

4) Establish Goals and Evaluation Measures for

Partnering EDOs: All partnerships work better when expectations are clearly stated and the way success will be evaluated is spelled out and agreed upon in advance. Regular reporting and open communication between the City and partnering organizations will be important to productive collaboration.

- Review the mission and strategic plan of the regional organization.
- Compare the City's ED goals with those of the organization.
- Identify important ways in which the City could benefit from collaboration with the organization.
- Establish the City's expectations and list goals for the collaboration.
- Determine the value of partnership in terms of an annual funding amount.
- Identify actions the regional organization will need to accomplish to meet the City's expectations of the partnership.
- Create a set of performance metrics the City can use to evaluate the success of the partnership.
- Determine what the organization will need to report to the City, how it will report and how often.

All organizations funded by Cedar Rapids that have a finger in economic development should provide information to the City on a quarterly basis. For organizations involved in recruiting businesses to the area, the information should include a list of prospects and marketing initiatives, including the trips and visits conducted. The quarterly information should also report the number of successes achieved. When possible, those successes should be portrayed as a list of companies recruited with the corresponding number of jobs created and the capital investment brought into the community. Quarterly information should be combined into a hard copy annual report in a format approved by the City.

CITY FUNDED EDO PARTNERSHIPS

- The Cedar Rapids Metro Economic Alliance
- The Iowa Creative Corridor
- Mainstreet: Czech Village/NewBo District
- Ascent
- Diversity Focus
- Seed Here/The Vault
- The Small Business Development Center

STRATEGY 3: ENGAGE UNIVERSITIES AS PARTNERS

Today, academic institutions are seen as far more than desks and teaching facilities. They are understood to be centers of science and technology, incubators of new ideas and businesses, urban revitalizers, real estate developers, major employers and important purchasers on the local supply chain. Alliances that include government, businesses and academic institutions are much better equipped to help the economy grow .

Cedar Rapids has two internationally-rated public universities in close proximity. The University of Iowa is known for its MBA program and undergraduate finance and accounting programs. Its Carver College of Medicine and its Audiology, Nursing and Pharmacy programs give the university high potential as a Health Care partner. Cedar Rapids should continue to explore partnerships with UI to advance the growing MedQuarter area.

Iowa State University is home to the DOE Ames Laboratory and the College of Agriculture and Life Sciences, which is in the process of many significant Bio-Ag research projects. ISU's advanced activity in Ag-Sciences is a good match to Cedar Rapids' reign as the king of grain processing. Cedar Rapids is already working with ISU exploring relationships that could utilize the university's agriculture-oriented

Key Actions

- 1) Organize Cedar Rapids Public/Private Funding for Universities
- 2) Fund Individual Research Projects
- 3) Conduct an Economic Impact Study on the Universities
- 4) Create One-Time Funding for an Endowed Chair
- 5) Determine Support for Kirkwood College

Colleges and programs, especially in Agriculture & Biosystems Engineering, Agronomy, Food Science & Human Nutrition, Animal Science, Agriculture Education & Studies, and Veterinary Medicine. ISU also has a robust engineering program that could provide economic benefits through partnerships with companies such as Rockwell Collins.

BEST PRACTICE

Academic Alliance Strategy Pottawatomie County, KS

To further cultivate relationships between Kansas State University and leaders in the public and private sectors of the county, Pottawatomie County holds an annual KSU appreciation day and funds an endowed chair. The county also works to strengthen relationships between employers and various departments, faculty, researchers and KSU programs.

One focus of the collaboration is to tightly link economic development efforts focused on Bio-Tech and Agri-Business to KSU/s Animal Science program. Pottawatomie also continually explores ways to help KSU physically expand facilities in the county.

For more information:

<http://www.ecodevo.com/documents/PlanwithSteeringCommittee.pdf> (See pp 155-157)

STRATEGY 4: KEY STEPS DETAILED

1) Develop a new Cedar Rapids Brand: In many ways, your brand is more about what other people think than what you think. It is what other people say about you when you aren't in the room. A brand that promises the right assets and experience can grab the attention of site selectors and industry leaders. Marketed the right way, a good Cedar Rapids brand will help attract new businesses, make it easier for existing businesses to be successful, attract residents and visitors and diversify the local economy.

- **Option 1: Hire a Marketing/PR Agency to Develop Cedar Rapids Brand**
- **Implement Branding into All Marketing Collateral**

2) Create a Separate Cedar Rapids Economic Development Department Website: As Cedar Rapids begins to strengthen its ED department and begins implementation of its ED strategic plan, the City should strongly consider implementing a separate website for the ED department that provides city-specific information. Many competitive cities have already changed to a multi-website format, which offers them an advantage in marketing and attracting industries. The City website page can contain a link to the ED department site. Elements used to stand out by some of the most successful economic development sites, all of which can be found on the Cedar Rapids Metro Economic Alliance website for the entire region, include:

- **A Searchable Business Directory**
- **A Searchable (GIS) Property Directory**
- **Easy to Access Relevant Data for Site Selectors**
- **Dedicated Pages for Target Industries**

Target Industry sections can contain dashboards with information contained in this report. Good example of websites can be found for Columbus, IN; and for Waterloo, ON in Canada.

BEST PRACTICE

Columbus, IN Economic Development Website

Columbus is a small Midwestern community brands itself on a strong economy and quality of life. The Columbus ED Board recently engaged a firm to launch an award-winning website that utilizes the latest innovations in web development to meet the needs of site selectors, prospects, and existing businesses. It showcases real-time information with custom graphics, local photos, success stories and a responsive design that automatically adapts to desktop, tablet or smart phone.

For more information, visit:

<http://www.columbusin.org/>

City of Waterloo, ON Canada Website

Waterloo markets itself as a community in which to live, work, learn and play. With a population of 130,000, it is home to major knowledge companies, global think tanks and Quantum Valley. In 2011, the City undertook a three-phase process to develop a new website that would connect and engage its residents and businesses. It provides easy navigation, timely and relevant information, strong search capabilities and links to online services.

For more information, visit: www.waterloo.ca

STRATEGY 3: KEY STEPS DETAILED

3) Conduct an Economic Impact Study on the Universities: The study should highlight the importance of the universities to the local and regional economy. An annual event can be organized to update the community on advancements and activities at the institutions and their strategic direction. The universities should be celebrated and awarded for contributions to the community.

- **Conduct Economic Impact Study**
- **Report Findings to Community**
- **Create an Annual Celebration Honoring Universities and Kirkwood College (May combine with research awards)**

4) Create One-Time Funding for an Endowed Chair: One-time funding of \$500,000 should be considered for endowed chairs at the universities. The money should come from private contributions by businesses and residents of the community, but tied to Cedar Rapids.

- **Establish Endowment Committee**
- **Organize and Implement a Fundraising Campaign**
- **Award Endowment**

5) Evaluate Support for Kirkwood Community College: Kirkwood is significant asset to Cedar Rapids and an important factor in economic development. With a current enrollment of more than 20,000 students, the college is often cited as one of the best community colleges in the country and serves as an important source of workforce training and continuing education for the region.

- **Review and Enhance Current Kirkwood Support**
- **Implement Improvements**

BEST PRACTICE

Creating an Endowed Chair Georgia Research Alliance Eminent Scholars Program, Georgia

To attract top research faculty to the state, Georgia created the Georgia Research Alliance, a consortium of six universities, business leaders and government officials. The Alliance implemented the Eminent Scholars program, crating endowed chairs at the universities that the state funded initially at about \$750,000 apiece, to be matched by the host institution. The Eminent Scholars program targeted entrepreneurial faculty that had founded companies or were looking to commercialize ideas they had already developed. Within 20 years, the Georgia Research Alliance had attracted 60 of the country's eminent researchers, who had secured \$2.6 billion in federal and state research grants, created at least 150 start-up companies, 5,000 high tech jobs, and generated discoveries with potential applications benefitting 100 local companies.

The Eminent Scholars idea is sprouting up in other areas. Both South Carolina and Ohio have passes acts to fund initiatives to attract top research talent.

For information: www.gra.org

STRATEGY 4: BRAND AND MARKET CEDAR RAPIDS

Cedar Rapids is the cultural and employment center for eastern Iowa. The City is ready to establish a brand for itself and stand out head and shoulders above other Midwestern communities in the eyes of national and international industries. Creating a strategy to get the word out using all available opportunities will allow Cedar Rapids to develop a strong brand with surprising speed.

Branding should begin at the City of Cedar Rapids. City ED staff leaders should be comfortable that the brand being promoted by everyone in the area is the same, and that the common brand is well-designed to advance Cedar Rapids' strategic goals. But the overall brand identity should be shaped by other ED members of the public and private sectors. This will ensure buy-in from everyone participating in marketing Cedar Rapids and guard against changes from one political administration agenda to the next.

Key Actions

- 1) Develop a new Cedar Rapids Brand
- 2) Create Standout Cedar Rapids Economic Development Department Website
- 3) Create a Strong Marketing Tool Kit
- 4) Leverage Iowa and Regional EDO Marketing Campaigns
- 5) Evaluate the Benefit of Hiring a Public Relations Firm (Year 2)

BEST PRACTICE

Regional Branding: Cleveland Plus Cleveland, OH

Cleveland Plus is a marketing campaign that umbrellas Northeast Ohio, including Cleveland, Akron, Canton, Youngstown, and others. Cleveland Plus focuses on highlighting the region's assets in order to attract business and add jobs. The campaign works on attracting positive media attention, encouraging economic development, and increasing awareness of existing programs. Cleveland was chosen as the anchor of the brand due to its prominence and its position as the largest city in the region. One of the most important hurdles the program vaulted was getting the other cities, namely Akron, to buy into the concept.

In the words of Cleveland Plus:

"Since 2007, our partner Team NEO, has worked to attract 86 new companies to the region – adding more than 7,400 new jobs. They have also assisted 216 companies within Northeast Ohio in creating or retaining nearly 59,000 jobs and adding more than \$3 billion in capital investment."

<http://www.clevelandplus.com/>

STRATEGY 4: KEY STEPS DETAILED

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City of Waterloo, ON Canada Website

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For more information, visit: www.waterloo.ca

STRATEGY 4: KEY STEPS DETAILED

3) Create a Strong Marketing Tool Kit: How successful economic development efforts will be and how quickly the City can create an image of the City's assets with location consultants and businesses will depend on the strength of marketing collateral. Initially, the City may consider developing:

- **A Tri-fold Brochure Aimed at Site Selectors and Industry Location Specialists**
- **A One-Page Fact Sheet**
- **A Video Showcasing the City's Diverse Business and Cultural Assets to Include Testimonials**
- **A Site Selectors Newsletter**
- **A Young Professionals Electronic Magazine**
- **An Annual Cedar Rapids Summary of New and Expanded Businesses**

BEST PRACTICE

LEDA Site Selector Collateral
Lubbock, TX Economic Development Alliance

LEDA created a piece specifically for site selectors designed to showcase the City's strengths to new and expanding businesses. In an easy-to-manage format, it includes population statistics, accessibility, workforce resources, cost of doing business, housing costs, real estate opportunities, and transportation infrastructure. An interactive version was also created for iPads.

For information: <http://www.lubbockeda.org/>

BEST PRACTICE

Marketing Collateral: Planting Seeds of Success The City of Stillwater, OK

The City recently added an economic development director and staff, and wanted the new office to have strong, impactful marketing materials. In-house marketing professionals wrote, designed and took photos for a brochure, one-page fact sheet and a video. The brochures are printed a few hundred at a time at a professional shop, allowing the City to update information as needed.

For more information: <http://bit.ly/1rJUslb>

Community Business Profile Arvada, CO Economic Development Association

AEDA produces an annual profile of the City's businesses and community resources. It is easy to read online and on mobile devices. The objective is to promote the City to potential businesses, developers and real estate brokers, but it also acts as a powerful draw to potential worker and residents. The profile is widely used by other city departments. AEDA distributes 1,500 copies to its real estate community and 1,200 to Arvada businesses.

For more information:
<http://arvadaeconomicdevelopment.org/directory>

BOLSTER A STRONG WORKFORCE PIPELINE

Engagement with stakeholders and the public brought to light the workforce hurdle present in Cedar Rapids. The challenge is two-fold: first, Cedar Rapids must ensure that the local workforce has the skills that existing employers and companies looking to locate in the area need; and, second, Cedar Rapids must find ways to diversify the workforce through developing and marketing the kinds of environments sought by Young Professionals.

The strategies that work toward growing the regional workforce include the alignment of training and certification programs with in-demand skills, cultivating skills in high school and college students, a focus on building the assets that can help to recruit Young Professionals, and recruiting talented workers from outside the region. Workforce attraction is just as important for Cedar Rapids as recruiting new businesses.

Each of these strategies, listed to the right, give Cedar Rapids a clear vision of how to grow the workforce of the region.



Workforce Strategies

1. **Align training and certifications with target industries and in-demand skills**
2. **Cultivate workforce skills early**
3. **Focus on building the assets to recruit Young Professionals**
4. **Recruit talented workers from outside the region**

STRATEGY 1: ALIGN TRAINING WITH IN-DEMAND SKILLS

Making sure that the local workforce has the skills that employers need the most is a cornerstone of workforce development. In order to do so, a team of employers, educators, and workforce development specialists will need to identify the most sought after skills and survey the local business community to better understand what skills local workers may be missing.

An effort such as this can also give Cedar Rapids a new avenue to market the local workforce to businesses looking to relocate or expand.



Key Actions

- 1. Engage with employers, educators, and workforce development specialists to identify in-demand skills**
- 2. Push for the development of training programs and certification courses to help nurture these skills in the local workforce**

STRATEGY 1: KEY STEPS DETAILED

1) Identify in-demand skills: Working with a number of key employers, educators, IowaWORKS, and other professionals in workforce development, Cedar Rapids should undertake an effort to identify the skills that businesses have prioritized. This effort can involve businesses interviews and surveys, and expand on similar kinds of outreach that Cedar Rapids has taken on in the past. This kind of a survey should be done twice a year and ask employers to identify plans for expansion, including added jobs and skills required.

➤ **Engage Employers with Twice-a-Year Survey of In-Demand Skills**

2) Nurture these skills in the local workforce: Once the skills are identified, the City should foster cooperation between employers and educators to develop training and certification programs that allow workers to learn and refine those skills. Local colleges and high schools should be the first priority to house these training programs, but the major universities outside of Cedar Rapids should also be engaged because of their ability to offer training in very specialized or cutting-edge skills. The best practice to the right describes a successful workforce development initiative built on cooperation between institutions.

- **Organize Semi-Annual Meetings Between Employers and Educators**
- **Identify Needed Workforce Skills**
- **Encourage Educators to Develop Appropriate Training Courses**

BEST PRACTICE

CareerEdge Funders Collaborative Workforce Development Initiative
Bradenton, FL

CareerEdge Funders Collaborative is an independent organization developed to ensure workers have the necessary skills to fill the needs of the labor market. This mission is carried out by developing “partnerships between business and community-based organizations” and spurring public policy change. Partnerships with Venice Regional Hospital, Radiant Power, and Suncoast Community Capital, among others, have led to better trained workers in the healthcare and manufacturing fields. The Funders Collaborative has added “\$5.6 million in value-added income to the local economy,” seen sixty-five percent of the more than 2000 individuals served earn raises, and contributed to the creation of 450 new jobs.

<http://www.careeredgefunders.org/>

STRATEGY 2: CULTIVATE WORKFORCE SKILLS EARLY

One way to diversify the workforce of Cedar Rapids, while also enhancing the skills of local students, is by bringing jobs skills to the classroom and bringing the classroom to the businesses of Cedar Rapids. This would entail developing programs for high school students that allowed them to gain skills that employers look for, as well as giving them the opportunity to be involved in the innovative and highly-specialized work that Cedar Rapids businesses perform.

At the higher education level, this strategy recommends that Cedar Rapids forge lasting partnerships with local and regional colleges and universities to bring students and graduates to Cedar Rapids businesses for internships and fellowships.



Key Actions

- 1. Consider a specialty high school with apprenticeship programs for non-degree career development**
- 2. Use university partnerships to connect students and graduates to jobs in Cedar Rapids through internships, fellowships, and apprenticeships**

STRATEGY 2: KEY STEPS DETAILED

1) Consider a specialty high school with apprenticeship programs:

Specialty high schools can provide students with job-related experience prior to entering a college degree program. Cedar Rapids should organize an effort with IowaWORKS, educators, and local employers to devise a focus for the school, perhaps in Engineering or Bio-Ag. Like the Youth Apprenticeship program described on the right, this kind of effort can be funded by local employers and through grants, but should be organized by the City of Cedar Rapids.

- Organize Business Support to Determine Merit of Specialty High School
- Meet with School District Superintendent to Communicate Need

2) Connect students and graduates to jobs in Cedar Rapids: In order to attract more young workers to Cedar Rapids and build their ties to the community, the City and its higher education partners should seek to create and support internships, fellowships, and other apprenticeship programs with employers in Cedar Rapids. The University of Iowa and Iowa State University offer highly-regarded degree programs in a number of sciences utilized by Cedar Rapids businesses. Both students and employers would benefit from internships or fellowship programs that can establish linkages from Iowa's knowledge centers to business clusters in Cedar Rapids. The City of Cedar Rapids should mediate the partnerships between employers and these universities.

Cedar Rapids, in partnership with 10 to 15 employers, should also develop frequent job fairs at university campuses and targeted cities with materials that focus on the jobs available, the career advancement opportunities, interesting and unique cultural assets and the growing Young Professionals environment. The involvement of employers at job fair activities can put a human face to opportunity.

- Meet with Business and Education Leaders to Initiate Internships, Apprenticeships
- Create Job Fairs at Universities and Target Cities

BEST PRACTICE

Youth Apprenticeship Program: State of Wisconsin Workforce Development

The Youth Apprenticeship program grants high school juniors and seniors paid workplace experience paired with two or four semesters of related coursework. Students enroll in the program for either one or two years. They are trained by an industry member in industry skills as well. The program is funded by local grants, employers, and other means.

https://dwd.wisconsin.gov/youthapprenticeship/program_info.htm

STRATEGY 3: BUILD ASSETS TO RECRUIT YOUNG PROFESSIONALS

One of the most important issues identified through the public engagement process was that Cedar Rapids has a tough time at attracting and retaining Young Professionals. This can be attributed to a lack of a unique image of the City for audiences outside of Iowa or to the lack of amenities that could make Cedar Rapids attractive to Young Professionals and connections that can get them to stay.

Cedar Rapids, however, does have a number of strengths that can bring in Young Professionals, but these strengths need to be leveraged. The downtown district, Czech Village-New Bohemia, the Iowa Startup Accelerator, and the Vault co-working space give the City an edge at nurturing the amenities that afford Young Professionals an urban lifestyle.

Key Actions

1. Support an organization for Young Professionals
2. Leverage the City's "dark fiber"
3. Create additional cultural events and gathering places throughout the City
4. Support the development of live/work environments throughout downtown and the Czech Village-New Bohemia district



STRATEGY 3: KEY STEPS DETAILED

1) Support an organization for Young Professionals: Young professionals seek a culture of camaraderie with others with lifestyles similar to their own. A Young Professionals organization can act as a means to build this culture and ground this part of the workforce in the Cedar Rapids community. As put forward earlier on, the City's economic development efforts should give significant focus to attracting Young Professionals to Cedar Rapids. Supporting a Young Professionals organization, like ImpactCR or one similar to best practice on the right, can allow Young Professionals to find opportunities for career development, but will, more importantly, act as a social 'glue' for a community of new and current residents of Cedar Rapids. Local businesses can host events for the Young Professionals organization, with a new business hosting the event every month.

- **Organize Semi-Annual Meetings with YP Organization Leaders**
- **Co-Sponsor Monthly YP Events with Local Businesses**

2) Leverage the City's dark fiber: Cedar Rapids has the potential to market the fiber optics infrastructure currently in place. Dark fiber is an optical fiber cable that has not been "lit" yet, or is being unused. Because most of the cost associated with dark fiber comes from the initial laying of fiber, companies usually lay far more than necessary to meet demand. Young professionals and entrepreneurs in the technology sector value access to broadband and use this qualification to decide where to locate. The City should leverage itself as a test-site for companies looking to develop the "Internet of Things" (IoT), which integrates household appliances into wireless networks to increase control and functionality of those devices remotely.

- **Investigate the Opportunities for Cedar Rapids to Act as Test Site for IoT Products**
- **Explore the Options of Establishing a Highly-Connected IoT Village within Cedar Rapids Utilizing Transformed Downtown Office/Loft Space or in New Construction Associated with MedQuarter Development**

BEST PRACTICE

Pittsburgh Young Professionals

Pittsburgh Young Professionals (PYP) is a non-profit organization designed to "[provide] career-minded individuals with opportunities to develop socially, professionally and civically." PYP hosts networking events such as dinners and socials, lectures on topics like social media, and more. The organization also offers a competitive scholarship to full-time local college students, either graduate or undergraduate. PYP is funded by membership dues and sponsorships.

<http://www.pyp.org/>

STRATEGY 3: KEY STEPS DETAILED

3) Create additional cultural events and gathering places throughout

the City: Workers are drawn to places that not only have available jobs, but that allow them to lead fulfilling lives. Events and places that provide a sense of community to residents can help in this effort. Cedar Rapids, in partnership with the Cedar Rapids Area Convention & Visitors Bureau, should seek to create, support, and market cultural events, which could include film, music, theater, or other artistic events, and revitalize gathering places throughout the City. Young professionals would be more likely to consider living in Cedar Rapids if these sort of amenities were better connected to their images of the City.

- **Implement Outdoor Summer Festivals Programs featuring Live Music, Food and/or Art**
- **Consider Using Open Riverfront Property as a Temporary Festival Location**

4) Support the development of expanded live/work environments:

Live/work developments that combine commercial activity with residential space for individuals and families who wish to live near or at the place where they work are essential to drawing more Young Professionals to the City. The Mainstreet Project focusing on downtown and the Czech Village and New Bo areas are creating a popular movement toward more modern living environments. The City should seek to develop public/private partnerships to expand the area to include more multi-family rental options at market rates. Other areas of the City with more room for new construction might be options for Live/Work development with dedicated transportation to the downtown area.

- **Identify Additional Areas for Expansion or New Live/Work Development**
- **Ensure Land Use and Zoning Codes Foster Live/Work Growth**
- **Explore Transportation Options for New Live/Work Areas Outside Downtown**
- **Explore Conversion Options of Vacant Downtown Office Space into Residential Rental Loft Space through Public/Private Partnerships and Governmental Funding**

BEST PRACTICE

The Phoenix Lofts, Jack London Square District, Oakland, CA

The Phoenix Lofts are a community of mixed-use live/work units with commercial spaces on the bottom floor. There are 28 live-work condominiums and 4,000 square feet of commercial or office space. The condominiums are warehouse style lofts with open floor plans, giving the resident freedom to divide their work and living space. Located in Jack London Square, residents are a short distance from the waterfront and other communal gathering places. The City of Oakland's live/work ordinances allow developments like this to become successful.

For Information:

<http://live-work.com/projects/the-phoenix-lofts/>

Blues on the Green Summer Live Music Program Parks and Recreation Department – Austin, TX

A collaboration between the City's parks department and a local radio station, the popular summer program draws thousands of young adults to free concerts by top songwriters and indie rock bands throughout the summer each year. It also provides a connection for area restaurants and bars to younger clientele. The bi-weekly event runs through the summer months at a central city park. Bands perform on a simple temporary stage that is removed after the close of the festival time period.

For more information:

<http://www.kgsr.com/promotions/blues-on-the-green>

STRATEGY 4: RECRUIT TALENT FROM OUTSIDE THE REGION

Ample opportunities for employment, as well as the businesses that support the current workforce, are strengths of Cedar Rapids. However, it is also the case that those same businesses have trouble recruiting workers from the outside. A similar narrative can be told for the business clusters of Cedar Rapids. The City should do all that it can to expand recruitment efforts of businesses and workers, particularly in regards to the target industries. The best practice to the right describes an effort in Nashville to attract a workforce believed to be central to their targeted economic growth.

Workers who are particularly talented in their given field may also have many other options, besides Cedar Rapids, and their recruitment should involve a stronger effort of providing assistance to companies and supporting programs that allow for better integration into the community.

Key Actions

- 1. Conduct recruitment visits and participate in career fairs at universities and in cities with workforces in the targeted industries**
- 2. Support a family matching program to introduce and solidify a connection to the local community**
- 3. Provide recruitment assistance to companies for executive level talent**

BEST PRACTICE

WorkIT Nashville Nashville, TN

WorkIT Nashville is an online campaign to attract technology workers to Nashville and Middle Tennessee. Both potential employees and employers can create an account and browse through job openings and job seekers in the area. By creating a profile through their LinkedIn account, candidates can be matched to jobs that fit their interests and qualifications. Companies can post job descriptions and create a profile as well as searching through candidate profiles. The website also offers important information on life in Nashville and the surrounding community. In addition to job-matching, the WorkIT Nashville Guidebook provides recruiting information to both job seekers and companies about the environment and the IT community. The campaign has a strong digital marketing presence that includes stories of IT workers experiences in the region.

<https://talent.workitnashville.com/>

STRATEGY 4: KEY STEPS DETAILED

1) Conduct recruitment visits and participate in career fairs at universities and in cities with workforces in the targeted industries: The City’s economic development team should do two visits a year to selected cities, well known for the industries Cedar Rapids would like to target for economic growth, and organize 10 to 20 employers to participate in these visits. After identifying target cities (an initial list is provided to the right) and interested local employers, the City’s role will be to organize visits and ensure that there is adequate marketing. The costs of these visits should be paid for by the companies involved.

- Identify a List of Cities with High Cluster Activity for Target Industries
- Determine Recruitment Needs/Job Postings from 10-15 Local Businesses
- Organize Job Fairs with Participation of Local Businesses

2) Support a family matching program to introduce and solidify a connection to the local community: If workers recruited from elsewhere have trouble incorporating into the community, Cedar Rapids could benefit from a program designed to match those workers with current members of the community that have similar backgrounds and interests. This can help to strengthen ties and retain talent. For many new residents, their perception of the community is based on how quickly these ties are made. The goal for Cedar Rapids should be to expedite that process to enhance workforce growth.

- Develop a Family Matching Program for Newly Recruited Professional Talent

3) Provide recruitment assistance to companies for executive level talent: Cedar Rapids should also provide support to companies trying to recruit talent for key positions and executive level applicants. This can be as simple as showing off the community to the prospect, having dinner with local leaders, and giving them a good sense of the amenities the City can provide.

- Offer Major Employers Recruitment Assistance for the Hiring of Key Employees

Example Cities with Key Workforce Clusters

Boston/Cambridge, MA: Life Sciences, Food Sciences

Minneapolis, MN: Life Sciences, Entrepreneurial and Professional Business Services

Chicago, IL: Logistics, Finance, Insurance, and Real Estate, Food Sciences

Seattle, WA: Food Sciences, Life Sciences

Dallas, TX: Finance, Insurance, and Real Estate

Kansas City: Food Sciences, Life Sciences

IN BUSINESS TO FLOURISH

Economic growth is important if businesses are to be successful and cities are to protect quality of life. Growth in the local economy can make it easier to reduce poverty levels and crime and help the government reduce budget deficits. A growing economy leads to higher incomes, lower unemployment and lower government borrowing. Increased tax revenues allow cities to provide better infrastructure and public services and invest in the future. Healthy cities afford their citizens the power to decide how to spend resources – on protecting the environment, improving education and other important aspirations.

For the first time in history, the majority of humans that inhabit our planet are urban dwellers. Urban residents are predicted to increase by about 60 million every year, reaching 6.4 billion by 2050. It is an easy prediction to make that most cities in the U.S. are going to grow. It is HOW those cities grow that will determine the future quality of life for the people who live and work in them. To ensure Cedar Rapids remains an exceptional place to call home, the City needs to be a breeding grounds for innovation and a catalyst for positive change.

Cedar Rapids is a strong city with good leadership and successful, diverse businesses. Despite the severity of the 2008 flood and the destruction of its downtown, the City is experiencing an overall retail surplus, commercial real estate occupancy levels, other than office space, are doing well and the economy is growing. We suggest that Cedar Rapids focus economic growth efforts in the first few years of implementing its strategic plan in four areas. First and foremost, support the retention and expansion of existing businesses. Pay particular attention to ways in which the City can assist small businesses grow into larger businesses. Support entrepreneurship so that Cedar Rapids will continue to add new, diverse businesses to the local economy. And implement strategies designed to lure new target industries to the area that will improve the economy now and well into the future.

Economic Growth and Diversity Action Plan

1. Direct Business Retention and Expansion
2. Support and Grow Small Businesses
3. Cultivate Entrepreneurship
4. Focus ED on Target Industry-Specific Strategies
5. Examine Incentives



STRATEGY 1: DIRECT BUSINESS RETENTION AND EXPANSION

You can tell a lot about a city by the companies it keeps – an old adage, but true. The best bet for developing new jobs in Cedar Rapids is with existing companies. Studies have shown repeatedly that the vast majority of job growth in a community is generated by the expansion of businesses already operating there.

The cost of retaining a business and helping it grow is far less than identifying and recruiting a new business. Business attraction is an expensive, time consuming and at times frustrating endeavor. In the end, a business may decide to locate somewhere else. Cedar Rapids should invest as much time and money in retaining businesses as it does in trying to attract new industries.

There is an art to keeping businesses happy. Business retention involves building relationships with business owners or managers, regularly checking in with them, watching trends in their industries, correcting problems, and always keeping a watchful eye out for opportunities for the business to expand.

Key Steps

- 1) Call on 50 Companies Each Year
- 2) Implement an Periodic Online Survey
- 3) Use Information Provided by Businesses to shape ED Policies

BEST PRACTICES

Business Expansion and Retention Program NKY Boost, Northern Kentucky Tri-ED Ft. Mitchell, KY

NKY Boost is the enhanced BRE program of the Kentucky Tri-ED. It coordinates a systematic and extensive business visitation program using a special software program. Intelligence gained from these coordinated visits helps identify expansion opportunities, troubleshoot problems and provide resources to existing businesses.

For more Information: <http://bit.ly/1qrRbis>

Business Expansion and Retention Program Opportunity First, Grenada County ED District Grenada, MS

In three years, a community of less than 22,000 people retained 700 jobs through expansion projects done through a partnership of the local ED office and manufacturing companies. The program accelerates investment through use of state, regional and federal programs. The program includes an annual business summit, a headquarters visitation program, a tax savings assessment team and an annual awards dinner.

For more information:
<http://www.grenadameansbusiness.com/node/1563>

STRATEGY 1: KEY STEPS DETAILED

1) Visit Local Businesses: Set procedures in place to ensure the interview is with the appropriate person, usually the owner or manager. Design questions well in advance, but adapt interviews as necessary. Carefully record data gathered, making a note of problems the business is having and possible solutions the City can offer. Ensure staff conducting retention visits (to include representatives from City, workforce, ISD, colleges) receive appropriate training on conducting visits, follow up, and reporting results. The Cedar Rapids Metro Economic Alliance is already working on a Synchronist project to visit regional businesses. Instituting a program for the City will help to strengthen efforts with local businesses.

The City is currently conducting a survey of areas businesses. The results of that survey will should act to greatly enhance Business and Retention efforts.

- **Select 50 per Year to Visit**
- **Conduct Visits, Record Findings**

2) Implement a Periodic Online Survey: Once a year, offer a survey to Cedar Rapids businesses aimed at finding out what is working and what is not working in the local business environment. Run a link to the survey from the economic development department website. Email invitations and telephone critical business leaders.

- **Design and Implement an Online Survey**
- **Analyze Responses**
- **Report Findings**

BEST PRACTICES

Business Retention Program Business First Annual Report Greater Richmond Partnership – Richmond, VA

The Business First Greater Richmond annual report is the result of 570 interviews with local company decision makers. The information gathered from these interviews helps determine the needs of the company, understand the region's business climate and determine what Richmond can do to make it easier and more attractive for businesses to grow and expand.

Companies interviewed by the program receive a high level of customer service. The customer-focused approach delivers value by quickly connecting companies to the resources they need and removes barriers to business growth.

For more information: <http://bit.ly/1nxkfCf>

STRATEGY 1: KEY STEPS DETAILED

3) Use Information Provided by Businesses to shape ED

Policies: Make sure that the information gathered during business site interviews and surveys is being recorded accurately and is making it into the hands of key City staff members who can evaluate it and determine whether or not policy changes are necessary.

A quarterly report to the City Manager, the Development Director and other key staff should be given by the Economic Development Director. Develop a brief annual “BRE Update” report that identifies common trends, issues and possible solutions. Track success stories.

- Share Information with appropriate EDO partner organizations and staff
- Identify Opportunities to Improve City Services to Businesses
- Implement Improvements
- Check Back with Businesses for Feedback

BEST PRACTICES

Chattanooga Chamber Business Surveys Chattanooga, TN

Between March and July 2012, the Chattanooga Area Chamber of Commerce surveyed over 100 local businesses about various local economic conditions. The results were then compiled into an IEDC award winning “Executive Summary of the Local Economy” which provided a snap shot of the areas strengths and weaknesses from the perspective of the businesses who operated there. This tool was then used to further carry out the Chamber’s mission of economic development and marketing for the region.

For more information, visit:

<http://www.chattanoogachamber.com/>

STRATEGY 2: SUPPORT & GROW SMALL BUSINESSES

Small businesses are the building blocks of the Cedar Rapids' economy. They bring growth and innovation to the community and give it much of its character. They also provide critical services to larger Cedar Rapids industries. Nine out of 10 Cedar Rapids businesses employ fewer than 50 employees.

Obviously, keeping small businesses healthy and growing is critical to the Cedar Rapids economy. The City has strong assets for maintaining a garden of small businesses, including a supportive government, successful business leaders and large nearby pools of talented college graduates. By increasing collaboration between

government, local business leaders, regional business organizations and colleges and universities, Cedar Rapids can greatly enhance its efforts to support and grow small businesses.

Cedar Rapids has a district office location for the Small Business Administration. The University of Iowa has a Small Business Development Center in Iowa City, and Kirkwood Community College has a Small Business Development Center in nearby Marion. For businesses with less than 500 employees, the SBDC offers business advice and consulting services, including writing a business plan, planning a marketing strategy, developing cash flow projections, and doing market research.

Key Steps

1) Evaluate Survey Information from Small Businesses Gathered During the BRE Process

2) Implement the Changes Small Businesses Desire

3) Sponsor Regular Small Business Events and Awards

4) Run a List of Small Businesses from the EDD Website

Services most critical to small business owners include:

- * Educational classes for skills needed to manage the day-to-day running of a company taught by experts from local colleges and universities
- A reliable point of contact at the City and knowledge of how to cut red tape and navigate the development process
- * Information and guidance on where to secure low cost loans
- * Assistance with marketing and promotion
- * Regular small business events to provide information, referral services and opportunities for networking.

STRATEGY 2: KEY STEPS DETAILED

1) Evaluate Survey Information from Small Businesses Gathered

During the BRE Process: Just how easy is it to run a successful small business in Cedar Rapids? How can the City improve services and help businesses expand? How well are the local SBA and the nearby SBDCs meeting business needs and how well is information being circulated about services available. Are the classes being offered appropriate to business needs and of the quality necessary provide success skills?

Answers to these types of questions can be gathered during Business Retention and Expansion program interviews and online surveys. Make sure to include information in each that pertains to the company revenue and number of employees so that small businesses can later be targeted for special study.

2) Implement the Changes Small Businesses Desire: Once issues have been identified as impediments to success and growth, the City should act quickly to enact changes that will provide relief. Stay in contact with businesses to report progress and demonstrate the importance of the company to the City.

3) Sponsor Regular Small Business Events and Awards: The City can work with the local district office of the Small Business Administration to organize regular small business events. Awards can be given for any area that highlights Cedar Rapids success, such as for Most Community Oriented, Small Business of the Year and Fastest Growing Business.

4) Run a List of Small Businesses from the EDD Website: Small businesses are what give Cedar Rapids personality. Austin, TX helps retain its “Keep Austin Weird” heritage helping visitors and residents enjoy unique businesses by listing them in a section of its website.

BEST PRACTICE

Small Business Development Program
City of Austin ED Department, Austin, TX
LocallyAustin.org

LocallyAustin.org is a tool for residents and visitors to discover the many locally-owned, small businesses that give Austin personality an unique character. The website and mobile app offer an easy-to-use map and directory of locally-owned small businesses.

The campaign, aimed at attracting local businesses wishing to be listed on LocallyAustin.org, featured print ads in local papers, digital ads placed with popular visitor websites, signs placed in downtown circulator buses, street banners and yard signs blanketing downtown festivals.

The program attracted listings from over 1,000 locals businesses and helped residents and visitors discover unique businesses.

For information: locallyaustin.org

STRATEGY 3: CULTIVATE ENTREPRENEURSHIP AND INNOVATION

Entrepreneurs are the spark plug in an economic engine. Their creative energy, motivation and determination spur economic activity and exchange. They are always in search of a new opportunity, a new way to satisfy a need. They are the risk takers in search of profit.

Besides adding to the tax base, they benefit communities in more subtle ways. It's entrepreneurs that create the businesses that create jobs. They create products that create demand. They introduce new technologies to the marketplace. Successful entrepreneurs are an indication of a healthy economy and the existence of growth pathways. These independent business creators are treasured assets for a community and should be protected, nourished, encouraged, touted and rewarded.

Cedar Rapids is an innovative community in an innovative state culture. Already the City is fostering healthy entrepreneurial activity through the development of the Iowa Startup Accelerator and Vault coworking space. The City should be aggressive in developing more entrepreneurial opportunity whenever possible.

Key Steps

- 1) **Develop an Entrepreneur/Innovation Event**
- 2) **Aggressively Market Accelerator and Coworking Space**
- 3) **Attract EDA Funds for a Specialized Incubator**
- 4) **Work with Partners to Increase Funding Resources**
- 5) **Follow Entrepreneurship Related Groups on Social Media**

BEST PRACTICE

Blackstone LaunchPad

Through a \$1.4 million dollar grant, the Blackstone Foundation brought the Blackstone LaunchPad entrepreneurial program to South Florida through a partnership between the University of Miami and the University of Central Florida. The program, building off of previous success in California, Pennsylvania, Michigan, Ohio, and Montana, will provide college students with an opportunity to focus on entrepreneurship as a career goal. Students at either Florida campus will have access to entrepreneurial coaches, best practice material from other LaunchPad programs, and classes to guide them in starting their own business. The program is not limited to select majors, but rather is open to university students, staff, and alumni. The program aims to partner with local businesses and entrepreneurs to provide attendees with resources and guidance.

The Blackstone Charitable Foundation believes that the program has the potential to launch 300 new ventures in Central Florida over the next five years and has pledged to expand over the next five years to an additional five regions. For more information:

STRATEGY 3: KEY STEPS DETAILED

1) Develop an Entrepreneur/Innovation Event: Seek out partnerships with businesses and organizations to organize a regular event that celebrates innovation and showcases successful local entrepreneurial activities.

- Identify Potential Businesses for Entrepreneurial Support
- Establish an Event Committee
- Identify and Visit Local Entrepreneur Successes
- Create an Application Process for Entrepreneur Awards

2) Aggressively Market Accelerator and Coworking Space: The Iowa Startup Accelerator, fostered by Geonetric with support from ImOn, is a sizeable success story for Cedar Rapids. The accelerator, along with Vault coworking space and other local entrepreneurial programs, should be publicized at every opportunity and marketed in materials aimed at site selectors, target industries and Young Professionals.

- Write Story and Collect Photos of Accelerator and Coworking Spaces
- Email Press Releases with Digital Photo
- Post Stories and Photos on ED Department Website
- Incorporate Stories and Photos into Marketing Collateral

3) Attract EDA Funds for a Specialized Incubator: The federal Economic Development Authority offers grants and other funding for incubator projects that support small business development. Those funds can be leveraged to attract university interest in collaborating in the development of incubators and accelerators.

- Research EDA Grants and Funding Opportunities
- Solicit Grants and Funding
- Contact Universities with Ideas for Specialized Incubator

TOUTING ENTREPRENEURIAL SUCCESS



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- Camp Courageous Gets Big Donation
- Iowa Building Renovation Begins in Waterloo
- Iowa Store Owner Imprisoned for Machine Gun Sale
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A New Home and Upgrade

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Updated: Saturday, July 26 2014, 08:06 PM CDT

CEDAR RAPIDS, IA (CBS2/FOX28) - Geonetric develops websites for more than 500 hospitals, physician groups and clinics around the country, but Saturday they completed their own upgrade.

"It's quite an upgrade," Geonetric President and CEO Eric Engelmann said.

The Cedar Rapids based [company](#) moved from their old Glass Road office to a brand new brick building just across the street from Newbo.

"Taking idol land, more or less right in the middle of the city and building on it will just bring it back to life," Engelmann said.

He has seen the city grow in leaps and bounds so he said it's fitting that his company moves downtown into a brand new building with other entrepreneurs.

"Everybody speaks the same language and is doing things in the same technical or creative way. They can meet up and talk about what they're doing together," he said.

STRATEGY 3: KEY STEPS DETAILED

4) Work with Partners to Increase Funding Resources: The City can act as an effective partner to increase private funding resources for entrepreneurs and start-up businesses. Angel Funds and Venture Capital sources are an important component in a healthy entrepreneur pipeline.

- Identify Potential Venture Capitalists for Local Entrepreneurs
- Establish an Angel Fund

5) Follow Entrepreneurship Related Groups on Social Media: No entrepreneur worth his or her salt makes it through the day without repeated visits to trending social media sites. Follow entrepreneurship related groups on social media:

Y combinator
Dream it Ventures
Tech stars

Plug and Play

Tech Ranch
Tech crunch publication
International Accelerator

BEST PRACTICE

How to Evaluate the Economic Impact of an Incubator Measuring Up: the National Business Incubation Association - Athens, OH

To help provide the industry with better performance data, NBIA has partnered with the University of Michigan, the University at Albany and Cybergroup in a research project that will examine how adherence to industry best practices affects incubator performance. In 2008, the U.S. Economic Development Administration awarded the group \$250,000 for a project to create tools to help incubator managers measure their program's performance and evaluate their compliance with best practices. The EDA is a leading funder of business incubation programs and research.

The research team conducted a web-based survey of a representative sample of U.S. incubation programs to collect data about incubator characteristics, basic performance metrics (e.g., employment and revenue levels of incubator clients), and compliance with a set of well-known industry best practices. The project also identified common incubation models and best practices across the industry and in specific industry sectors. Research uncovered tools that incubator managers can use to measure program performance and manage their outcome and practice data on an ongoing basis.

For information:

http://edaincubatortool.org/pdf/Master%20Report_FIN_ALDownloadPDF.pdf

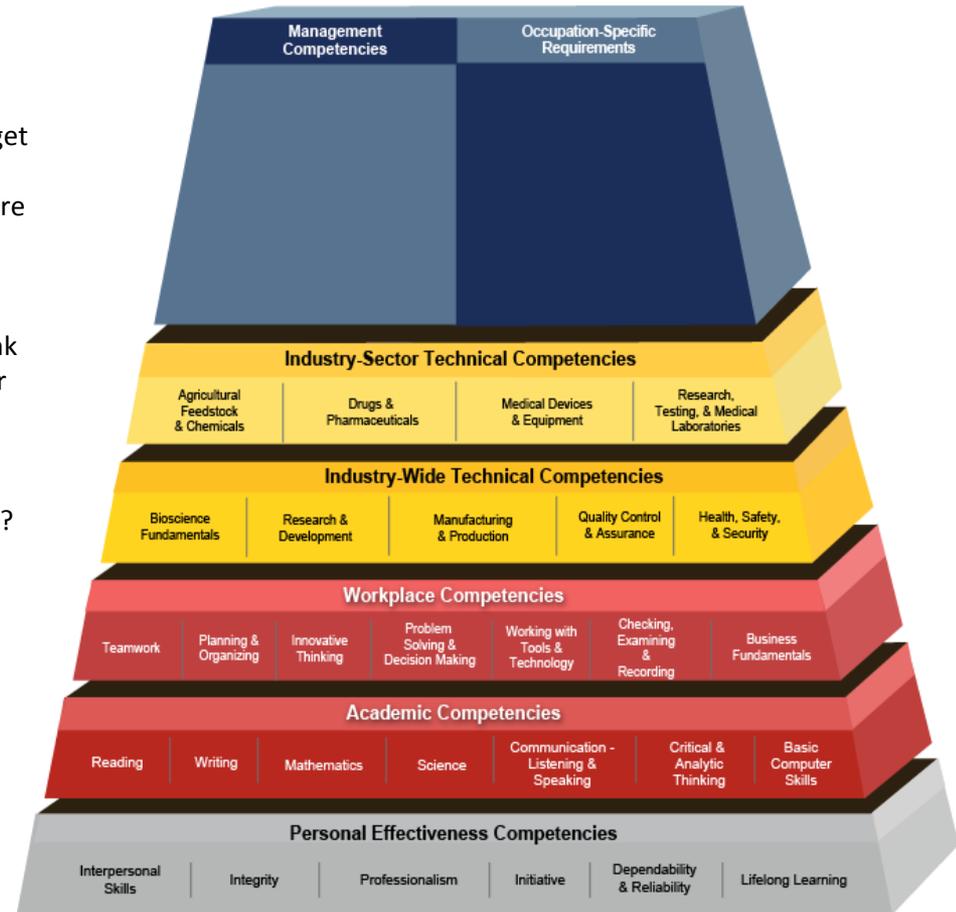
STRATEGY 4: DEVELOP SECTOR-SPECIFIC STRATEGIES

Cedar Rapids will be a crucial partner to the Metro Alliance in implementing strategy to attract new industries, especially target industries. The City will be the force reviewing and adapting its own business climate, infrastructure and workforce to make sure that all meet the needs of the companies it is trying to attract.

In order for Cedar Rapids to stand out in the eyes of potential businesses, the City will also need to review incentives and think of new ways to effectively reduce the cost of doing business for each targeted sector.

The first step in designing effective attraction strategies is to know your industries well. What issues does each industry face? What are the industry trends? What major costs impact a company's bottom line and how can those costs be reduced? What kind of workers does the industry require today, and what kind of workers will it need tomorrow?

One way to stay up-to-date on the changing needs of an industry sector is to become an active member of major trade organizations that meet regularly to support the Industry and subscribe to industry publications. Keep updated information available on the EDD website and in marketing collateral.



Bio-Science Competency Model
U.S. Department of Labor, Employment and Training Administration

Employees: 4,550

Total Payroll: \$309 Million

Average Annual Wage: \$68,107

Number of Businesses: 211

Total Square Footage: 2.5 million

Total Revenues: \$2.6 billion

Assets of Attraction:

- Strong Geographic Location
- Moderate Labor and Utility Costs
- Strong Cluster of Related Businesses
- Long History as Top Grain Processing Center
- High Levels of Innovation, Entrepreneurial Support
- Access to Raw Agricultural Materials
- Collaboration with Iowa State University
- Large Population of Engineers

Sources: AE, BLS for 2014, Reference USA for 2013

*total square footage and total revenue figures are estimates based on business data provided by Reference USA

Sector-Specific Strategies

1. Establish a Bio-Ag incubator through Economic Development Administration (EDA) funding in collaboration with Iowa State University
2. Attend Food Science and niche-related conferences and trade shows
3. Foster an internship program with ISU and local major employers
4. Explore opportunities for collaborative research between ISU and food industry employers

Food Sciences & Processing Niches

Bio-Agriculture

Animal-Oriented
Products & Services

Bio-Sciences

Food Safety

Organics

Employees: 15,865

Total Payroll: \$730 Million

Average Annual Wage: \$46,024

Number of Businesses: 770

Total Square Footage: 9.4 million

Total Revenues: \$1.3 billion

Assets of Attraction

- Growing MedQuarter District with two Major Hospitals
- Collaboration with University of Iowa Colleges of Medicine, Nursing, Dentistry and Pharmacy
- Partnership with the University of Iowa Hospitals and Clinics System
- Collaboration with Iowa State Agriculture & Life Sciences College
- Space Available for Building Wet Lab Facilities
- Entrepreneurial Support for Life Science Graduates
- Existing Small Businesses that Support the Sector

Sources: AE, BLS for 2014, Reference USA for 2013

*total square footage and total revenue figures are estimates based on business data provided by Reference USA

Sector-Specific Strategies

1. Attend one or two industry related conferences and trade shows to stay on top of industry trends and establish contacts
2. Cultivate relationships with foreign-born medical professionals and entrepreneurs
3. Lobby Iowa to waive taxes on income derived from patents
4. Partner with the University of Iowa to develop Life Sciences internship programs
5. Lobby state not to tax income >250,000 to attract scientific talent

Life Sciences Niches

Bio-Technology

Senior Care Services

Health Care Networks

Medical Devices

Employees: 6,904

Total Payroll: \$230 Million

Average Annual Wage: \$33,305

Number of Businesses: 194

Total Square Footage: 3.1 million

Total Revenues: \$290 million

Assets of Attraction

- Strong Geographic Location
- Existing Bimodal Road and Rail Infrastructure
- Diverse Industries
- Domestic Grain Processing Center
- Room for Warehouse & Distribution Infrastructure
- Office Space Available
- Strong Business Management Program at the University of Iowa
- High level of Public School Education
- Exemplary Job Training Opportunities at Kirkwood College

Sources: AE, BLS for 2014, Reference USA for 2013

*total square footage and total revenue figures are estimates based on business data provided by Reference USA

Sector-Specific Strategies

1. Work with local high schools, universities, and trade schools to develop effective job training programs which teach modern logistics skills and practices
2. Create and implement aggressive marketing campaign which promotes Cedar Rapids as a multi-modal hub for road, and rail transportation
3. Implement a site shovel ready program

Logistics & Distribution Niches

Supply Chain Analytics

Intermodal Transport
Services

Maintenance and Support
Services

Freight Trucking

Employees: 8,359

Total Payroll: \$377 Million

Average Annual Wage: \$45,141

Number of Businesses: 808

Total Square Footage: 4.3 million

Total Revenues: \$1.2 billion

Assets of Attraction

- Strong Focus on Innovation, Entrepreneurship
- Iowa Startup Accelerator, Vault Coworking Space, SBA, etc.
- Vault Coworking Space
- Continuing Development of Incubators
- UI Papajohn Entrepreneurial Center, and Venture Program
- ISU Entrepreneurship & Innovation Graduate Program
- Potential for Strong Angel and Venture Capital Funding
- High Quality of Life
- Strong MedQuarter Development
- Presence of Major Industries

Sources: AE, BLS for 2014, Reference USA for 2013

*total square footage and total revenue figures are estimates based on business data provided by Reference USA

Sector-Specific Strategies

1. Encourage new development of Class A office space and flex space downtown
2. Explore public-private partnerships create live/work space
3. Strengthen talent pipeline by creating professional service programs for high school students (Engineering, Architecture, Accounting, Graphics Design and IT)
4. Consider incentives to specifically support

Entrepreneurial Business Services Niches

Creative Design

Custom Computer Services

Accounting & Legal Services

Engineering & Architecture

Employees: 8,329

Total Payroll: \$554 Million

Average Annual Wage: \$66,519

Number of Businesses: 584

Total Square Footage: 4.7 million

Total Revenues: \$6.3 billion

Assets of Attraction

- Strong Existing Business Clusters
- Low-Cost Downtown Office Space Available
- Supportive City Incentives
- Top Ranked UI Undergraduate Accounting, Management and MBA Programs
- ISU Graduate Program Scholarship for Top Finance Talent
- Strong Commercial Real Estate Market in all Divisions except Office
- Improving Residential Retail Markets
- Opportunity to Leverage MedQuarter District Development

Sources: AE, BLS for 2014, Reference USA for 2013

*total square footage and total revenue figures are estimates based on business data provided by Reference USA

Sector-Specific Strategies

1. Develop specific incentives for the financial, insurance and real estate sector downtown
2. Explore public-private partnerships to renovate downtown office space
3. Consider creating an EB5 regional center to attract foreign funding for new real estate development or redevelopment projects

Finance, Insurance & Real Estate Niches

E-Commerce

Actuary Science

Data Processing

Investment & Asset
Management

SUMMARY OF INCENTIVE RECOMMENDATIONS

Incentive programs, when applied effectively, can help a city reach their own goals for economic growth. This strategic plan offers a number of recommendations to evaluate current or potential incentive programs. Some of the most impactful are described here. The table below summarizes the financial incentive policy recommendations for consideration by the City of Cedar Rapids:

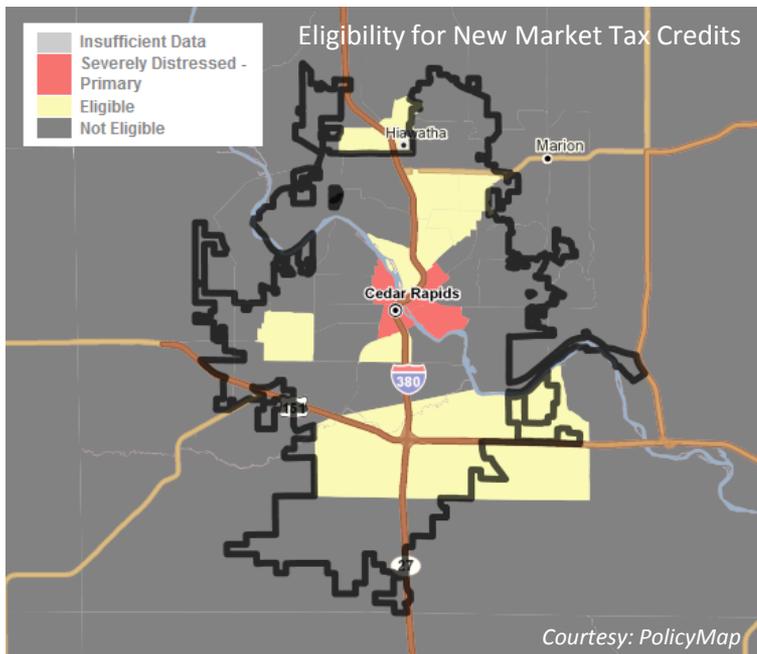
Name	Description	Currently Implemented	Recommendations
Permit Incentives	Permitting fees can be waived or discounted for capital investments or for small business / entrepreneurs	Yes	Implement 50% discount in development and permitting fees for capital investments < \$25m; 75% for <\$50m and 100% for >\$50m. For small businesses (<50 employees) 100% discount for <15 employees; 70% discount for >15-50 employees). Both new and existing businesses should qualify for these incentives.
Property Tax Incentives	Property taxes on business property can be reduced or waived in a manner similar to permitting fees. Additionally, tax increases that result from the increased property values of private redevelopment can be waived.	Yes	Adopt property tax abatements in a structure similar to permit fee waivers. Place a five year hold on property assessments for qualifying redevelopment projects (i.e. manufacturing / logistics).
Sales Tax incentives	Reduction or elimination of local sales tax on utilities is an excellent way to support small businesses and entrepreneurship.	No	Waive utility sales tax for qualifying entrepreneurs / tech companies. Waive all sales taxes for special businesses, such as self-employed artists.
EB-5 Visa	The EB-5 visa program provides a green card to foreign nationals who invest in the US. More than \$6 billion is invested in the US through this program annually.	No	Consider the creation of an EB-5 Visa Regional Center to package and market projects to foreign investors.

The table below summarizes the financial incentive policy recommendations for consideration by the City of Cedar Rapids:

Name	Description	Currently Implemented	Recommendations
Capital Recovery Fee Incentives	These fees, are used to recoup the cost of utility expansion and connection, can be costly to businesses looking to expand or relocate into a new development	Yes	Provide a 50-70% discount on capital recovery fees to qualifying businesses. Consider same criteria as permit incentives. Allow small businesses to pay over 2-4 years.
R&D Grants	The costs of developing a working product / prototype are often the greatest challenge faced by many tech and life sciences businesses	No	Develop a grant program to support promising life sciences endeavors to help offset the costs of R&D on a per employee basis (\$10,000 per employee) or a 25% of total cost of R&D in property tax credits.
TIF	Tax Increment Financing is a subsidy for redevelopment, beautification, infrastructure or other community improvement projects. TIF uses future gains in taxes to subsidize current improvements/development. Funded projects result in an increase in value of surrounding real estate and or sales tax and jobs.	Yes	Utilize TIF's to promote redevelopment along key commercial corridors and the downtown
New Market Tax Credits	The NMTC program uses federal funds to support local economic development organizations secure private investors to support local businesses. Investors receive a 39% tax credit on their investment over the course of 7 years.	Yes	Leverage the NMTC program to support local businesses, particularly in the highly distressed areas of Cedar Rapids. A map displaying those areas in Cedar Rapids is shown on the following page.

The table below summarizes the financial incentive policy recommendations for consideration by the State of Iowa:

Name	Description	Currently Implemented	Recommendations
Patent Income Exclusion from Income Tax	Exclude income derived from patents filed by Iowa businesses	No	Implement 50% exclusion of income derived from patents for targeted industries. Both new and existing businesses should qualify for these incentives.
Attract Scientific Talent	Exclude personal income >\$250k from state income tax to attract Scientific talent at universities and private sector companies.	Yes	Consider varying amounts of income brackets.



Iowa State Senate

KEY PERFORMANCE INDICATORS

Continued performance evaluation is a critical component to the success Cedar Rapids' economic development efforts. The performance measurements proposed on the following pages will assist the City's economic development department in effectively measuring the implementation of the strategies within this plan.

Economic developers and program managers will have an opportunity to demonstrate the positive results of their efforts and for the public to determine whether resources are well spent and whether the community's assets are being properly applied. Project partners must agree upon a concise set of the most appropriate performance measures and a schedule for the periodic reporting of results.

Cedar Rapids and its project partners should hold an annual "scorecard" meeting to review progress. Additionally, the county should consider creating a website to track performance metrics and maintain accountability to its citizens for the effectiveness of the region's programs and initiatives.

Business Climate

Permitting

- Number of commercial/residential permits issued annually
- Average duration of commercial/residential permitting process
- Percentage of permitting completed online
- Ratings of permitting process through post-permitting survey

EDO

- Deal conversion rate (rate of prospects into projects)
- Number of prospect inquiries
- Number of prospect visits
- Number of annual BR&E visits
- Percentage of businesses surveyed and profiled
- Ratings of overall business climate through BR&E survey

Marketing and Branding

- Website visitor engagements
 - Average number of clickthroughs on website
 - Average number of page views by visitors
 - Average time spent on website
- Number of social media followers (twitter, linkedin, facebook, etc.)
- Number of social media shares (re-tweets, likes, etc.)
- Number of subscribers to content (newsletter)
- R&E survey

Economy

- Average wage
- Total wages and percent change
- Per capita income
- Public vs. private sector income
- Total new jobs
- Average wages for new jobs
- GDP growth
- Population/ demographic changes
- Higher degree attainment of 25-44 demographic
- Local new job listings
- Unemployment rate

Quality of Life

- High school graduation rates
- Average commute times
- Regional cost of living
- Housing prices
- Rent as a proportion of household income
- Health care coverage
- Property crime rates
- Violent crime rates
- Civic engagement

Infrastructure

Residential

- Average price of multi family rent
- Average price of housing sales
- Average price of new homes
- No. of months in single family inventory

Commercial

- Office, industrial absorption/vacancy
- Office, industrial price/square feet
- Average no. of days to issue development permits

Transportation

- Average commute time
- Average speed on major roadways, including highway

Target Industries

Growth

- Jobs created/lost related to target industries
- Number of total firm expansions/relocations
- Total capital investment
- Tax revenues generated
- ROI of ED budget to total new jobs and income (annual)

Target Industry Talent Pool

- Total number of annual higher degree graduates
- Percentage of annual STEM related graduates vs. non-STEM graduates
- Number of high school graduates
- Percent of high school graduates enrolling in college/technical school
- Number awarded certificates via workforce development programs

Entrepreneurial Metrics

Business Creation

- New business starts (incorporations)
- Number of incubated businesses

Capital and R&D Activity

- Angel and venture funding
- R&D spending
- ROI of private investment to public investment (annual)

International

- Value of exports
- Foreign direct investment
- Number of international inquiries
- Number of qualified leads

ABOUT ANGELOUECONOMICS



ANGELOUECONOMICS

AngelouEconomics partners with client communities and regions across the United States and abroad to candidly assess current economic development realities and identify opportunities.

Our goal is to leverage the unique strengths of each region to provide new, strategic direction for economic development

As a result, AngelouEconomics' clients are able to diversify their economies, expand job opportunities and investment, foster entrepreneurial growth, better prepare their workforce, and attract 'new economy' companies.

To learn more, visit www.angeloueconomics.com

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Research Analyst