



Cedar Rapids Metro Economic Alliance Developer Luncheon

May 23, 2023

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





**ADVANCED
MANUFACTURING**



BIOSCIENCES



**FINANCE AND
INSURANCE**



INNOVATION/TECHNOLOGY



EDUCATIONAL TECHNOLOGY



DIVERSITY/WORKFORCE

INFRASTRUCTURE

SUSTAINABILITY

AUTOMATION/INNOVATION

UNCERTAINTY

COMPETITIVE INITIATIVES

QUALITY OF LIFE

DIVERSITY/WORKFORCE



IN DECEMBER 2019, IOWA HAD
68,000 JOB OPENINGS, AND
46,600 UNEMPLOYED PEOPLE
IN MARCH 2023, IOWA HAD
86,000 JOB OPENINGS, AND JUST
48,300 UNEMPLOYED PEOPLE

SOURCE: IOWA WORKFORCE DEVELOPMENT

IN OCTOBER 2019, IOWA'S LABOR
FORCE PARTICIPATION RATE
PEAKED AT 70.3%

**IN APRIL 2023, IOWA'S LABOR
FORCE PARTICIPATION RATE WAS 68.3%
RANKED 6TH OVERALL IN THE U.S.**

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

Iowa's Labor Force Participation

- Retirements surged during the pandemic
- Federal Reserve research suggests that much of the remaining gap in labor force participation is due to retirements
- Shifting of dual income workers in a household to sole-earner
- More people upgrading from part-time to full-time work
- Most recent unemployment report saw women ages 25-34 drop out of labor force
- Drop off of men ages 25-34

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

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

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



STRATEGIES

Child Care Task Force Recommendations



- **Over \$500 million invested in Child Care initiatives**
- Increase in the number of 2-year-olds and 3-year-olds allowed in the care of an individual provider
- Legislature passed bill that incentivizes providers to accept more families that receive child care assistance by allowing parents to pay the difference between the child care assistance rates and the rates charged to private-pay families.
- Child Care Management System in development to serve as a resource to support business operations
- Iowa Women's Foundation hires employer engagement director in partnership with IEDA

Implementing Workforce Solutions

Iowa Workforce Development – Business Engagement Division

- Share information about available resources – one-stop shop for employers
- Provide specific points of contact to assist employers with workforce needs

IWD Reemployment Case Management System

- Provide one-on-one career coaching at week one and will audit the recipient's work-search requirements on a weekly basis for those receiving unemployment benefits
- Length of unemployment benefits reduced from 26 weeks to 16 weeks (exception for plant closings)
 - Getting unemployed Iowans to work sooner

iowaworkforcedevelopment.com





VISITOR & TALENT ATTRACTION PLAN

thisisiowa.com

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

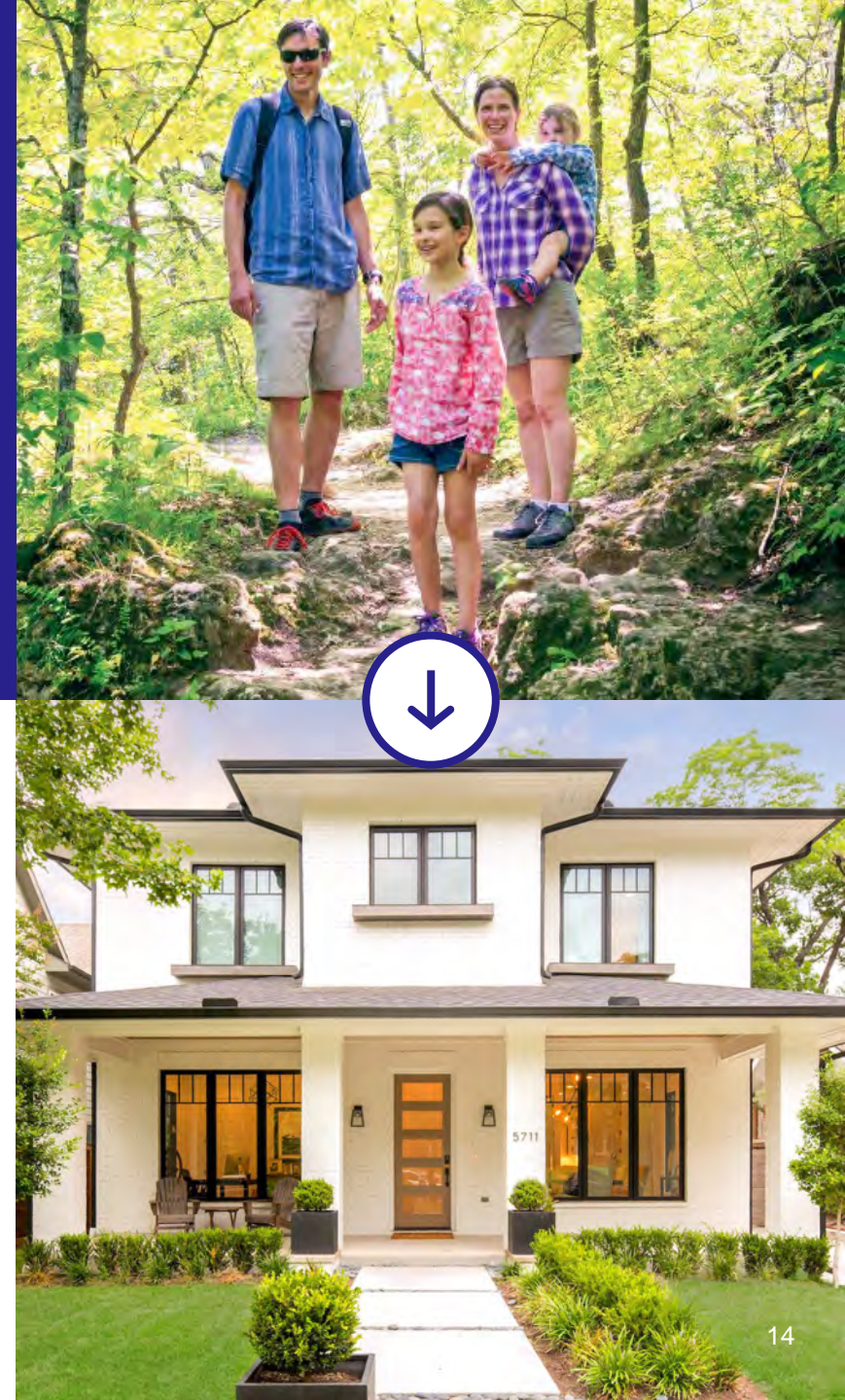
TRAVEL FEEDS WORKFORCE

64%

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

“

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



Consumers Are Open to Relocating



7 in 10

are likely to consider moving
for the right opportunity.

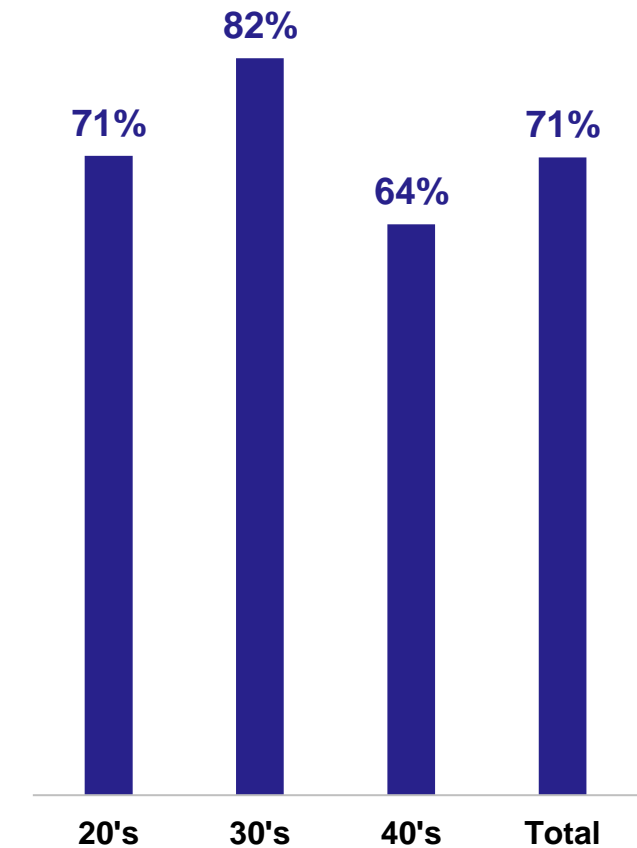
Likelihood is highest among

30-somethings.

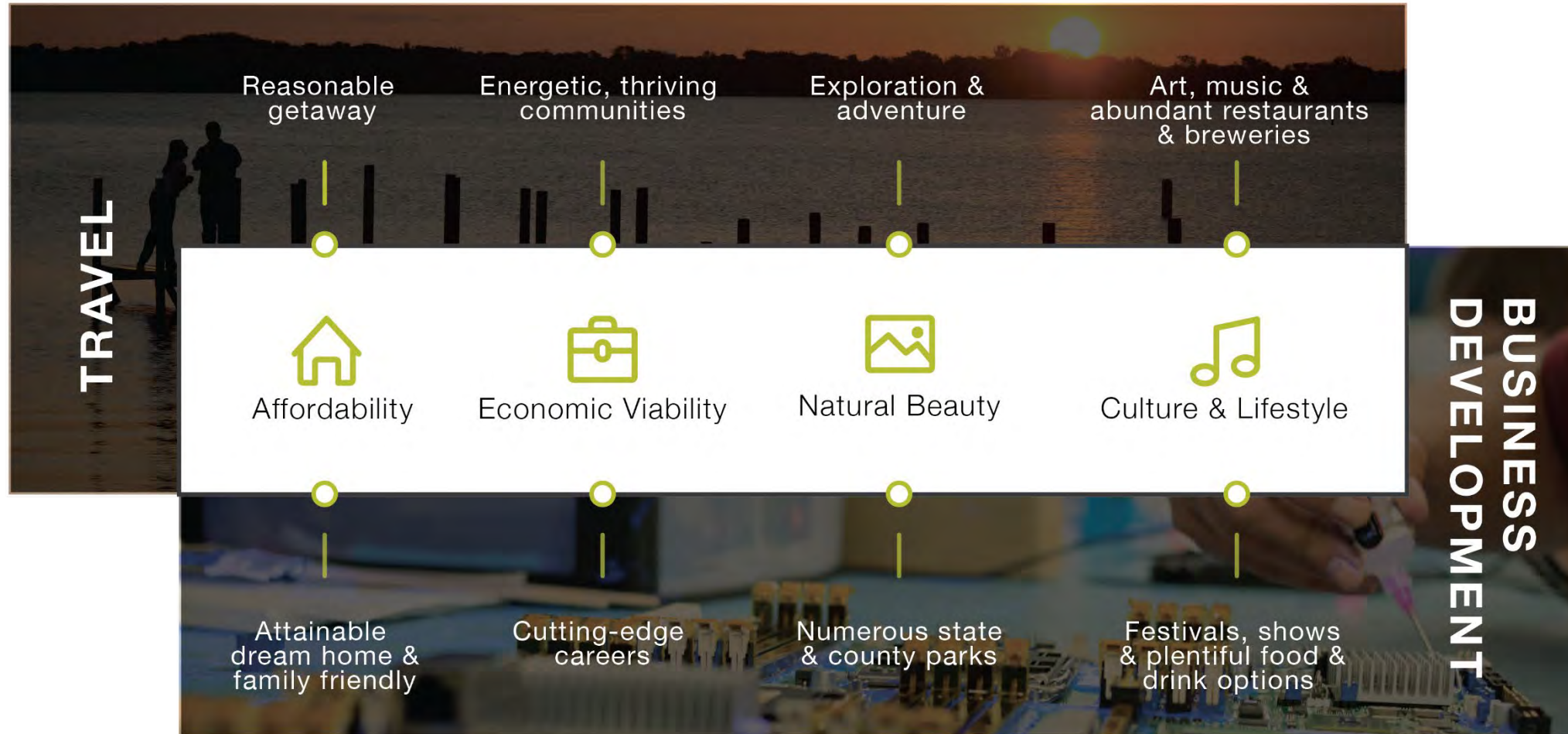
This is up since we last tested it.

Likelihood to consider moving for the right opportunity

Scale of 0 (not likely at all) to 10 (very likely)



Key Message Pillars



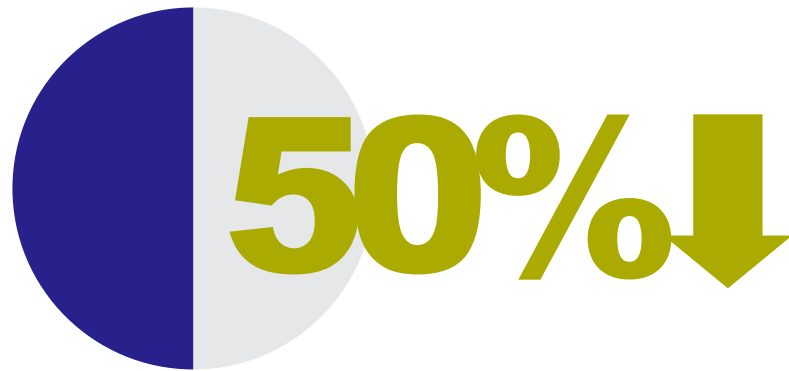
A high-angle, low-perspective shot of a modern bridge at night. The bridge's structure is illuminated with bright blue LED lights, creating a series of glowing triangles and lines. Several people are walking and cycling across the bridge. The background shows a dark sky and silhouettes of trees.

I (*can't wait to show you more*) WA[®]

Moving the Needle!



The number of
positive perceptions
has **increased by 20%**

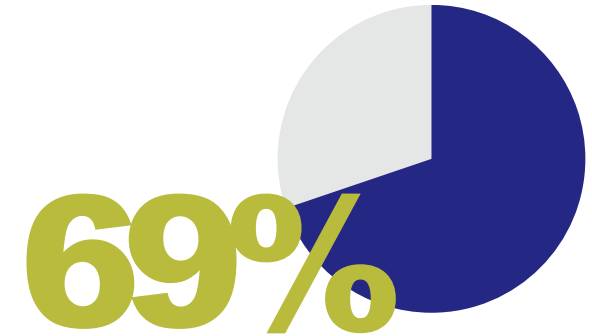


while the number of negative
perceptions **has halved**

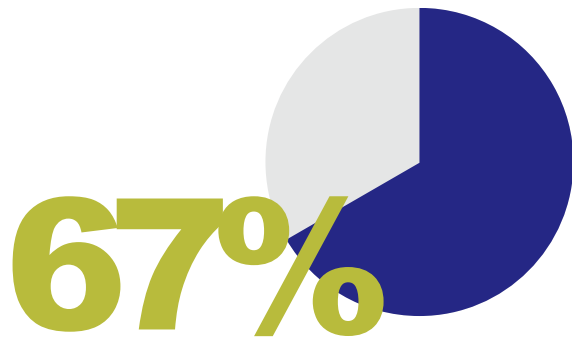
Making An Impact



"Iowa has fun recreational opportunities"
jumped 20%



"Iowa has friendly people"
climbed from 51% to 69%



"Iowa has beautiful natural landscapes" **increased from 46% to 67%**



INFRASTRUCTURE

Transforming our Technology Infrastructure

- The Empower Rural Iowa Broadband Program has invested over \$367 million in broadband grants across Iowa, resulting in \$884 million in total investment in the state
- 115,000 Iowa homes, schools, and businesses will receive faster broadband speeds as a result of these projects
- At a minimum an additional \$100 million from the Infrastructure Bill will be available to expand broadband service to unserved and underserved homes, schools, and businesses in Iowa

ocio.iowa.gov/broadband

“With much less density to generate revenue than more urban areas, the need for these grant funds is extremely important to expand access to broadband for all Iowans. South Slope continues to explore all funding opportunities to assist with getting customers access to broadband more quickly.”

**Chuck Deisbeck – CEO, South Slope
Cooperative Communications, North Liberty**

IOWA NEEDS MORE PEOPLE,
BUT THE STATE DOESN'T HAVE
ENOUGH HOUSING FOR THOSE
WHO ALREADY LIVE HERE

**HOUSING DEMAND IS EXPECTED
TO GROW BY 42,000 HOUSEHOLDS
BY 2030**

SOURCE: IOWA PROFILE, 2022

Catalyzing Growth

- Community Catalyst program
 - Grants to help communities redevelop, rehabilitate or deconstruct buildings to stimulate economic growth and reinvestment in the community
 - Intent is to fund amenities that support the vibrancy of a district, for example the space in and around buildings
 - All 941 Iowa cities are eligible
 - City must be the applicant and must provide financial investment
 - 40% of funds must be allocated to cities with populations under 1,500

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



Textile Tap Haus
Atkins, IA



Workforce Housing Tax Credits

- Since program inception in 2015
 - 46 projects in Linn County
 - \$26.2 million in tax credits awarded
- \$35 million allocation for FY 2024. Allocation is split equally between Small Cities and Urban areas.
 - Small Cities: Community in the 88 least populated counties OR Community in the 11 most populated counties that meet both of the following criteria:
 - Population of 2,500 or less based on 2020 census data and
 - Population growth of less than 30% as determined by comparing census data from 2020 to 2010
- Maximum award for a project is \$1 million
- Applications due by Friday, June 9 at 11:59 p.m.

Contact: Derek Folden at derek.folden@iowafinance.com or 515.452.0437



Dows Building, Cedar Rapids

Westdale Multifamily Residential
Cedar Rapids



3D Affordable Innovative Technologies Housing



2020 Riverhead, New York

First 3D printed house for sale.

Bedrooms	Bathrooms	Area
3	2	1,407 ²

3x	40%	6k+	3
Faster than traditional	Reduction in total	PSI results of compressive	Total Laborers required for

Why 3D Printing

3D printing is revolutionizing the world in many ways. We focus upon construction of single to four story buildings and structures to save time, resources, labor, and overall cost.



SUSTAINABILITY



Renewable Energy Portfolio



**IOWA RANKS 1ST
IN ETHANOL AND BIODIESEL PRODUCTION**

IOWA RANKS 2ND IN BIOMASS CAPACITY



**IOWA RANKS 1ST IN ELECTRICITY GENERATED
FROM CLEAN POWER SOURCES**
(WIND, SOLAR AND ENERGY STORAGE)

**63.8% OF IOWA'S TOTAL POWER OUTPUT
COMES FROM RENEWABLE SOURCES**



Carbon and Renewable Hydrogen Opportunities

○ Governor's Carbon Sequestration Task Force

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

○ Positioning for Growth in Hydrogen

- Iowa is a great fit for development of renewable hydrogen (H₂) & can further maximize our energy and agricultural resources and industry partnerships



“

The value of our investment decision in Nevada as represented by the operation of our biorefinery continues to deliver dividends, for the future... The decision to integrate the production of green hydrogen production reflects the natural evolution of our vision to position Nevada as advance renewable energy center. To be successful, this vision is supported by Iowa's leadership to secure a hydrogen hub for the state and its regional state partners – the time is right, and this is the place to be.”

Greg Northrup
President & CEO
VERBIO North America



AUTOMATION / INNOVATION

CYBERSECURITY



AUGMENTED AND
VIRTUAL REALITY



INTERNET
OF THINGS



CLOUD
COMPUTING



IOWA 
MANUFACTURING
4.0

BIG DATA



ROBOTICS/
AUTOMATION



SYSTEM
INTEGRATION



SIMULATION



ADDITIVE MFG/
3D PRINTING



Supporting Adoption of Automation

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

Manufacturing 4.0 Plan - iowamfg.com

- Supplier Connection Portal
- OEM Advisory Council
- Bonus depreciation
- Grants for small to medium size manufacturers that invest in smart technologies
 - Over \$29 million in grant funds awarded
 - Additional \$1 million currently available

In Tolerance has grown and now specializes in delivering high-precision custom parts for the aerospace, defense and medical markets. In Tolerance received a \$500,000 Manufacturing 4.0 grant to invest in two Mazak VCN570 Vertical Mills and two Halter Robotic Stackers (sold locally from Halter Robotics, Cascade). This robotic cell has had astounding success increasing capacity during unproductive night and weekend hours and allowing employees to concentrate on their highest best use. It also increases production run quantities and maintains high quality by reducing the burn-out activity of put and take. The equipment allows the company to address its workforce shortage and enhance opportunities for its current and next generation workforce.

High Quality Jobs

- Since 2018, HQJ projects in Cedar Rapids region:
 - Total capital investment: \$596 million
 - Total jobs created: 1096
- BAE Systems – July 2020
 - \$115 million cap investment
 - 650 jobs
 - new 200,000 sq ft aerospace R&D and manufacturing facility
- Sub-Zero – June 2022
 - \$141 million cap investment
 - 192 jobs
 - new 400,000 sq ft facility to expand manufacturing capacity
- International Paper – January 2023
 - \$103 million cap investment
 - 7 jobs
 - new 48,500 sq ft, two-story building to house the package boilers, water treatment systems and associated supporting systems
- Collins Aerospace – March 2023
 - \$22 million cap investment
 - 41 jobs
 - Remodel their manufacturing facility in Cedar Rapids to accommodate expanded microelectronics fabrication processes



**BIOSCIENCE JOBS PAY
85% MORE THAN THE AVERAGE
PRIVATE SECTOR JOBS**

SOURCE: BIOTECHNOLOGY INNOVATION ORGANIZATION, 2021

**IOWA'S BIOSCIENCE
R&D EXPENDITURES ARE 13% HIGHER
THAN THE NATIONAL FIGURE**

SOURCE: BIOTECHNOLOGY INNOVATION ORGANIZATION, 2021

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

SOURCE: ENERGY INFORMATION ADMINISTRATION, 2022

**IN 2022, IOWA EXPORTED
\$468 MILLION IN PHARMACEUTICAL
PRODUCTS TO 75 COUNTRIES**

SOURCE: WISERTRADE, 2022

Building up our Biosciences

**BIOBASED
PRODUCTS**

**PRECISION
AND
DIGITAL
AGRICULTURE**

**VACCINES,
DIAGNOSTICS
AND
IMMUNOTHERAPEUTICS**

**MEDICAL
INNOVATIONS**

**RESILIENCY/
REGENERATIVE
TECH**

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



UNCERTAINTY

“THE US ECONOMY RIGHT NOW IS DOING
QUITE WELL — CONSUMERS HAVE A LOT
OF MONEY, THEY’RE SPENDING IT, JOBS
ARE PLENTIFUL...OUT IN FRONT OF US
THERE’S SOME SCARY STUFF.
**THE LEVEL OF UNCERTAINTY ABOUT
WHERE THE ECONOMY IS HEADED IS
WORSE THAN USUAL...THE FED’S
QUANTITATIVE TIGHTENING, RUSSIA,
UKRAINE, OIL, GAS, WAR, MIGRATION,
TRADE, CHINA.”**

- Jamie Dimon
CEO, JPMorgan Chase & Co.



**CONSUMER PRICE INFLATION FELL
IN APRIL TO 4.9%, FROM THE
HIGHEST RATE IN 41 YEARS OF 8.9%**

**IN 2022, ANNUAL INFLATION ROSE
TO ITS HIGHEST LEVEL SINCE 1981**

SOURCE: WASHINGTON POST

SOURCE: FEDERAL RESERVE BANK OF ST. LOUIS

COMMODITIES

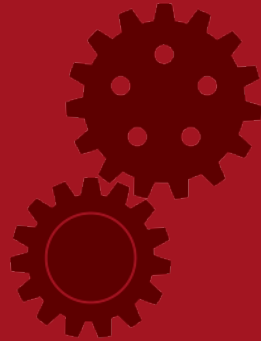
April 2022 - April 2023



INDUSTRIAL
NATURAL GAS



2.9%



MACHINERY
AND
EQUIPMENT



6.6%



STEEL MILL
PRODUCTS



14.8%

GOODS

April 2022 - April 2023



GASOLINE



12.2%



FOOD



7.7%



ELECTRICITY



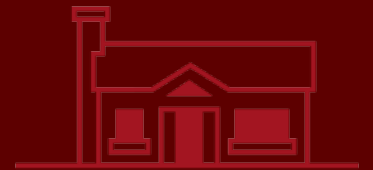
8.4%



NEW VEHICLES



5.4%



RENT



8.8%

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

IOWA RANKS #1 FOR FASTEST ECONOMIC RECOVERY FROM THE PANDEMIC

SOURCE: THE COUNCIL ON STATE GOVERNMENTS AND KPMG

IOWA RANKS #3 IN THE U.S. FOR OPPORTUNITY

SOURCE: U.S. NEWS & WORLD REPORT


RECORD NUMBER OF NEW IOWA BUSINESSES LAUNCHED IN 2022

SOURCE: IOWA SECRETARY OF STATE

IOWA RANKS #7 FOR WOMEN'S ECONOMIC AND SOCIAL WELL-BEING

SOURCE: WALLETHUB, 2023





“ THE MIDWEST ECONOMY SHOWS SIGNS OF POSITIVE BUT SLOW GROWTH. WE’RE SEEING LESS AND LESS INFLATIONARY PRESSURES NOW AS THE FED IS RAISING INTEREST RATES AND THAT IS PUTTING DOWNWARD PRESSURE ON PRICES. HOWEVER, THE INFLATION READING STILL SENDS A NEGATIVE SIGNAL TOWARD FINANCIAL MARKETS AND THE FED’S INTEREST RATE OUTLOOK.

58% OF SUPPLY MANAGERS SURVEYED STILL ANTICIPATE A RECESSION IN 2023. THE RURAL MAINSTREET ECONOMY CONTINUES TO EXPERIENCE SLOW, TO NO, TO NEGATIVE ECONOMIC GROWTH. THE SLOWING ECONOMY, HIGHER BORROWING COSTS AND LABOR SHORTAGES CONTINUE TO CONSTRAIN THE BUSINESS CONFIDENCE INDEX.”

- Ernie Goss
Professor of Economics
Creighton University

STATE COMPETITIVE INITIATIVES



Historic Tax Reform

- **Highlights**
 - **Tax Foundation ranking - improvement of 31 places with full phase implementation of reforms**
 - **Single income tax bracket** for all Iowans – reach **3.9% by 2026** (CY 2022 top tax rate was 8.53%, in CY 2023 it is 6%)
 - Lowers corporate tax from 9.8% to 8.4% in 2023, with **ultimate target of 5.5%** - creates an attractive business environment
 - Corporate taxes would decrease only when the state exceeds \$700 million in corporate tax revenue
 - **Makes changes to the Research and Activities Credit**
 - Reduces the value of supplies that can qualify for the credit to zero over time
 - Reduces the refundability of the credit to 50% over time
 - **Eliminates the capital gains tax on the sale of ESOP shares of qualified businesses to allow employee owners to receive this retirement benefit tax free**
 - **Eliminates retirement income tax in 2023**
- **Addresses the imperative that Iowa needs a competitive tax system**



“These moves will help the Hawkeye State keep up amid intensifying Midwest tax competition.”

State Government – Efficiency and Alignment Efforts

- First comprehensive review of state government structure in 40 years found opportunities to better align resources, services and programs
- Iowa has more executive branch cabinet members than most states. Alignment effort will reduce agencies from 37 to 16, align agencies with similar missions, operations or constituents
- Three areas impacting IEDA|IFA:
 - Parts of the Department of Cultural Affairs will be merged within IEDA|IFA: Iowa Arts Council, Produce Iowa, State Historic Preservation Office
 - Transition Iowa's official Partner State program from nonprofit Iowa Sister States to IEDA's International Trade Office
 - Iowa Commission on Volunteer Service will move to Iowa Department of Health and Human Services
- Next steps: State agencies working toward July 1 transition

QUALITY OF LIFE

IOWA RANKS IN THE TOP 10 STATES TO LIVE

SOURCE: CNBC, 2022

**“PLACEMAKING IS ABOUT TURNING
A NEIGHBORHOOD, TOWN,
OR CITY FROM A PLACE YOU
CAN'T WAIT TO GET THROUGH
INTO ONE YOU NEVER WANT
TO LEAVE.”**

*- Fred Kent
Project for Public Spaces*

Unmatched Quality of Life



IOWA HAS MORE THAN 80 STATE PARKS

**NEARLY 53,000 ACRES OF IOWA'S LAND
ARE FOR RECREATIONAL ACTIVITIES**



**2,300 MILES OF TRAILS AND 18,000 MILES
OF NAVIGABLE STREAMS THROUGHOUT IOWA**

**IOWA HAS 2,000 COUNTY PARKS, CITY PARKS
NATURAL AREAS AND TRAILS**



Destination Iowa/CAT

- Destination Iowa
 - \$6.8 million awarded to Cedar Rapids region projects
 - \$100 million investment in quality of life and tourism
 - Provides grants to help communities move forward on transformational, shovel-ready attractions
 - Four separate funds:
 - Economically Significant Development (\$30 million)
 - Outdoor Recreation (\$40 million)
 - Tourism Attraction (\$10 million)
 - Creative Placemaking – competitive (\$20 million)
- Enhance Iowa – CAT
 - Since 2018 \$3.4 million awarded to Cedar Rapids region projects
 - \$10 million appropriated in FY 23
 - Received an unprecedented 33 applications requesting \$14.5 million
 - \$6.5 million for Destination Iowa fund in FY 24



Central Plaza and Regional Trail Connection, Marion



ConnectCR – Cedar Lake Project, Cedar Rapids



iowaeda.com



IOWA FINANCE
AUTHORITY

iowafinance.com

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