

Notes from Regional Marketing Meeting

June 3, 2009

Gateway Hotel, Ames

Regional Marketing Group Program Updates:

Funding: Cali Beals reported that overall the Regional Marketing Group allocation was cut slightly from last year and is now at \$585,000.

Annual Report reporting dates for the Regional Marketing Group will now be on a fiscal year rather than a calendar year, so the due dates will now be at the end of July. This will be done to have the report available at the beginning of the legislative session rather than at the end of the legislative session, and to simplify it for everyone by turning it in at a time that is typically a little less busy time of year. The first year, the groups will add a six-month addendum to your last regional report, then move towards a 12-month report the following cycle. The most recent edition of the annual report will be posted on the Iowa Life changing website in the Partner Information section with the rest of the Regional Marketing Group Information.

RFP: The next RFP will be on focused on business retention and can be used fairly widely and creatively, and not just for marketing. Please see the new RFP for specific uses.

Benchmarking: HF 822 requires all projects in progress or completed, so there will be more stringent reporting requirements for Regional Marketing Projects and funding. Don Chaplain of Institute of Decision Making will assist each region in determining appropriate benchmarks as determined by the overall work plan identified by each region. The region will then be assessed on those metrics. Highly leveraged projects also look better, so the more partners involved with the success of the projects the better.

Many regions have contracts ending June 30, 2009. Each region must request an extension and submit a detailed plan for spending the remaining funds. IDED staff will determine if the plan warrants extension or if the contract should be terminated. Performance will be the key.

December Meeting: Wednesday, December 2nd, 2009 in a webinar/ICN format, as well as at the IDED offices.

Business Development Updates:

Amy Johnson and Jeff Rossate presented Business Development Division updated information on LOIS, legislation, simplification on incentive programs, and the FY 2010 Travel plans.

LOIS: IDED contracts with KCP&L for the LocationOne Information System (LOIS) software license. IDED contracts with UNI's Institute for Decision Making for the compilation of certain data loaded annually into LOIS for Counties, MSA's, and Regions.

Due to the State's budget reductions, IDM will no longer be providing updates on the following data:

- Education data (on Labor Force Screen)
- Leading Employers
- Military Bases
- Transportation Data

Current data not being updated by IDM should not be overwritten when upload occurs this summer and Individual Counties, MSA's, and Regions will need to update these fields, as needed.

Legislative Updates and Changes: IDED's Budget - \$15.86 million which represents a 12% cut from FY 2009. Grow Iowa Values Fund - \$45 million, which represents a 10% cut from previous FYs. Certain tax credit award programs capped at \$185 million per FY

Film Promotion Tax Credit: May now include costs associated with the salaries of the Producer, Director, and Principal Talent (w/ limits tied to overall spending). Tax exemptions now amortized over 4 years. Iowa Film Office may now charge an "application fee" to fund marketing and industry training activities.

Endow Iowa: Increases credit from 20 to 25%; no longer deductible for state income taxes

Research Activities Credit: Claims exceeding \$500,000 will be public record.

Data Centers Bill: Provides a graduated scale of incentives based on the relative size of the investment. Is associated with taxes on computers and equipment, back-up fuel, and electricity. Refund of 50% of certain sales taxes paid for defined periods of time based on level of investment. Permanent tax exemptions for \$200 million+ projects (similar to web portal exemptions used for Google and Microsoft) Exemptions will be administered by Dept. of Revenue.

Simplification of Incentive Programs: Administrative Rules will be available after IDED's June Board Meeting (6/18), and there will be training sessions via ICN or webinar, so watch your e-mail in-box for more information.

- Make economic development assistance easier to understand
- Reduce funding complexity
- Standardize financial assistance requirements
- Synchronize programs to eliminate the need for separate programs.
- Streamline economic development initiatives and focus funds where growth is needed most.
- Two forms will be available:
 - Grow Iowa Values Financial Assistance Program (separated into components)
 - Economic Development Set Aside (EDSA)

"Old monies" will be added to the fund and used for the Grow Iowa Values Financial Assistance Program. Standard employee benefit requirement is the company must provide medical & dental and pay, 80% for single or 50% for family; or provide a monetarily-equivalent benefit (current CEBA requirement)

- Three-year project performance period
- Two-year project maintenance period
- IDED may negotiate all award amounts.
- IDED Board will act on all applications and determine component amounts.

Simplification: Wage Thresholds

- 90%, 100%, or 130% of the average county wage or the average regional wage (whichever is lower)
- Wage thresholds will be adjusted annually on July 1st
- If using 130% wage threshold - 10% "credit" for having the standard benefit package
- Created Jobs: Will have the 3-year performance period to meet the 130% wage threshold (@ time of application)
 - Starting wages must be equal to/greater than 100 percent of the average county or regional wage.
- Business will contract for and be measured against the highest wage threshold if seeking more than one form of assistance

Simplification: Tax Credit Program

- Standardized requirements – same as direct financial assistance programs

- High Quality Jobs Program: Allows retained jobs to be equal to created jobs for purposes of determining incentives. Eliminates the “4 of 8” requirements. Eliminates the 160% wage threshold. Can no longer apply for assistance after project initiation.
- Enterprise Zone Program allows retained jobs to be considered.

FY 2010 Travel Plan

July 1, 2009 – June 30, 2010

** Subject to DOM's Approval

Sell Iowa Trips to Minneapolis/St. Paul, Dallas, Southern California, New York, Chicago

International Trade Missions to China, Japan/Korea, Mexico, Africa, Eastern Europe, Cuba

Advanced Mfg. Trade Shows:

- Agritechnica
- AWEA's Fall Symposium
- Bauma
- European Wind Energy Conference
- Farm Progress Show
- Wind-related Supply Chain Event (TBD)
- Windpower 2010
- Worldwide Food Expo

Biosciences Trade Shows:

- BIO International 2010
- BIO Japan 2009 World Business Forum
- BIO World Congress
- Biofuels Int'l Exp & Conference or World Biofuels Markets 2010
- European Forum for Industrial

Biotechnology/ IT Trade Shows:

- 7 x 24
- AFCOM
- Data Center Dynamics

Additional Trade Shows:

- AFCI Locations (Film)
- American Council on Life Insurers Annual Conference

- Food Ingredient - Europe
- National Association of Insurance Commissioners

Outstanding regional case study: Iowa Lakes Corridor

Iowa Lakes Corridor highlighted the success of its Entrepreneurial Week and the Food Entrepreneur Session it holds with the University of Nebraska. This Food Entrepreneur session with NU is one of the best in the country and is the mechanism through which the region is building specialty and gourmet foods products. The Iowa Lakes Corridor is helping through business assistance with legal, graphic design, and market research. These efforts have produced 7 new start-ups already and a Food Incubator is scheduled to open Jan 1.

Business retention is also a huge area of success with the Iowa Lakes Corridor through special events to help fill skilled workers positions in companies, internship development, and workforce and recruitment efforts. Local media has been very supportive of successes.

The Iowa Lakes Corridor is also working with the Iowa Film Office to become a more “camera ready” community in preparation for the film *Dewey* which may be filmed as early as next year in Spencer.

Outstanding regional case study: Prosperity Eastern Iowa

Access My Future is a huge marketing project to bring the younger generation back to the region by connecting them with great jobs within companies in the area. The <http://www.accessmyfuture.com/> website was created along with DVD packs featuring new and free music from artists from the area.

Buyer Supplier Exchange—added 100 companies. Currently it remains free and in increasing demand. The regional goals include increasing both the site accessibility and usability. Special events for the Buyer Supplier Exchange in each county continue to gain traction for this effort.

Outstanding regional case study: Opportunity2

Played its outstanding video effort via <http://www.opportunitysquared.com/> through collaboration and funding with manufacturing companies in the area, specifically highlighting Pella, Vermeer, Al-Jon Manufacturing, and more through the regional Manufacturing Council.

Additional regions attending:

- Northwest Iowa Development
- Great River Region
- Western Iowa Advantage
- Ames-Des Moines Corridor Marketing
- Cedar Valley Regional Partnership
- South Central Iowa Area Partnership
- Mid-Iowa Growth Partnership
- Iowa Connections
- North Central Iowa Alliance
- Northeast Iowa Business Network

In addition to regions, the following were represented:

- Alliant Energy
- Black Hills Energy
- Smart Solutions Group
- Off-Shore Iowa